



FINCARE SMALL FINANCE BANK LIMITED
CIN: U67120GJ1995PLC025373

Registered Office: 301-306, 3rd Floor, ABHIJEET-V, Opp. Mayor's Bungalow, Law Garden Road, M Ahmedabad Gujarat 380006 India

Corporate Office: #835/39 5th Floor, Bren Mercury, Kaikondanahalli, Sarjapur Main Road, Bengaluru 560035, Karnataka, India

Tel: 1800313313| **E-mail:** sfbcompsec@fincarebank.com| **Website:** <https://www.fincarebank.com>

Notice of Extraordinary General Meeting

Dear Member(s),

NOTICE IS HEREBY GIVEN THAT AN EXTRAORDINARY GENERAL MEETING OF THE MEMBERS OF FINCARE SMALL FINANCE BANK LIMITED (“BANK” or “COMPANY”) WILL BE HELD ON FRIDAY, NOVEMBER 24, 2023 AT 5TH FLOOR, BREN MERCURY, KAIKONDANAHALLI, SARJAPUR MAIN ROAD, BENGALURU 560035, KARNATAKA, INDIA AT 12.00 NOON TO TRANSACT THE FOLLOWING BUSINESS:

SPECIAL BUSINESS

ITEM NO. 1: TO CONSIDER AND APPROVE THE PROPOSED AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF THE BANK:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to provisions of Section 13 of the Companies Act, 2013, and any other applicable provisions of the Companies Act, 2013 read with rules framed thereunder and Section 49C of the Banking Regulation Act, 1949 (including any statutory modifications or re-enactments thereof, for the time being in force), and subject to approval of the Registrar of Companies and the Reserve Bank of India, the consent of the shareholders of the Bank is hereby accorded to amend the Memorandum of Association of the Bank as follows:

Addition of clause 15 to the ‘Matters which are necessary for furtherance of objects specified in Clause III(a)’ of the memorandum of association of the Bank as follows:

“To amalgamate or merge with, enter into any scheme of arrangement, or absorb or takeover any company or companies or body corporate, having objects altogether or in part similar to those of this Company, or to sell, exchange, lease, under-lease, surrender, abandon, amalgamate, merge, demerge, slump sale, sub-divide, mortgage or otherwise deal with, either absolutely, conditionally, or for any limited interest, all of

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any part of the undertaking(s), property rights or privileges of the Company, as a going concern or otherwise, to / with any public body, corporation, company, society or association, or to any person or persons, whether or not having similar objects as of this Company, for such consideration as the Company may think fit, and in particular for any stock, shares (whether wholly or partly paid), debentures, debenture stock, securities or property of any other company and to do all such incidental acts, deeds and things as may be necessary to give effect to the amalgamation, merger, absorption, acquisition, takeover, demerger, slump-sale or any other arrangement, as the case may be.”

RESOLVED FURTHER THAT Mr. Rajeev Yadav, Managing Director & Chief Executive Officer or Mr. Keyur Doshi, Chief Financial Officer or Ms. Shefaly Kothari, Company Secretary and any of the Directors or the Company Secretary of the Bank be and are hereby severally authorized to sign and file all the requisite e-forms including MGT-14 along with such other documents as may be required, with the Registrar of Companies, to undertake and do all such necessary acts, deeds and things as may be required for making the required regulatory applications to the RBI, to make such alterations and changes in the memorandum of association, as may be expedient or necessary for satisfying the conditions/ requirements imposed by the RBI, and to do all acts and deeds required to give effect to the above resolutions.”

ITEM NO. 2: TO CONSIDER AND APPROVE THE SCHEME OF AMALGAMATION:

To consider and if thought fit, to pass, with or without modification, the following resolution by the requisite majority as provided under Section 44A of the Banking Regulation Act, 1949 and Reserve Bank of India Master Direction - Amalgamation of Private Sector Banks, Directions, 2016:

“**RESOLVED** that pursuant to the provisions of Section 44A of the Banking Regulation Act, 1949, Reserve Bank of India Master Direction - Amalgamation of Private Sector Banks, Directions, 2016 (hereinafter referred to as the “**RBI Guidelines**”), any other circulars including such other directions, guidelines or regulations issued/notified by the Reserve Bank of India (hereinafter referred to as “**RBI**”) and the Memorandum of Association and Articles of Association of **Fincare Small Finance Bank Limited** (hereinafter referred to as the “**Transferor Company**”), and subject to approvals, consents, permissions and sanctions of the RBI and the Competition Commission of India and subject to such terms and conditions and modifications as may be prescribed by any of them while granting such approvals, consents, permissions and sanctions, which the Board of Directors of the Transferor Company (hereinafter referred to as “**the Board**”, which expression shall be deemed to include any Committee(s) constituted/to be constituted or any other person authorised/to be authorised by the Board/Committee to exercise its powers including the powers conferred by this Resolution) is hereby authorised to accept, the consent and approval of the members of the Transferor Company be and is hereby accorded to the amalgamation of the **Transferor Company** into and with **AU Small Finance Bank Limited** (hereinafter referred to as the “**Transferee Company**”), pursuant to the Scheme for Amalgamation of Fincare Small Finance Bank Limited into and with AU Small Finance Bank Limited, (hereinafter referred as “**Scheme of Amalgamation**” or “**Scheme**”).

RESOLVED FURTHER THAT pursuant to the provisions of Section 44A of the Banking Regulation Act, 1949 and the RBI Guidelines, and in accordance with the matters stated in the aforesaid resolution:

- i. The Scheme for Amalgamation, the draft of which was circulated along with this notice, be and is hereby approved.

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- ii. the Board be and is hereby empowered and authorised to act jointly with the Board of Directors of the Transferee Company (including any Committee(s) constituted/ to be constituted or any officer(s) or any other person authorized by it) to make modifications and alterations to the Scheme including those as may be required or suggested by the relevant authority/authorities and to do all such acts, deeds, matters and things, and to take all steps and give such directions as may be necessary, expedient, incidental, ancillary or desirable as it may, in its absolute discretion deem fit, requisite, desirable, appropriate or necessary to give effect to the above resolution and to effectively implement the amalgamation embodied in the Scheme including any required regulatory applications and negotiation, finalisation and execution of any agreements or documents incidental or ancillary to the Scheme and modifications/alterations thereto including to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the RBI or Competition Commission of India (“CCI”) while sanctioning the amalgamation embodied in the Scheme as may be required for the purpose of settling or resolving any questions or doubts or difficulties that may arise, including the meaning or interpretation of the Scheme or implementation thereof, or in any matter whatsoever connected therewith, including passing of such accounting entries and /or making such adjustments in the books of accounts as considered necessary for giving effect to the Scheme, in such manner as the Board in its absolute discretion may deem fit and to take all steps which are incidental and ancillary thereto in this connection.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or Officer(s) of the Bank and to generally do all such acts, deeds, matters and things as may be required in connection with the aforesaid resolution, including making necessary filings with the RBI and CCI, and execution of any deeds and documents for and on behalf of the Bank and to represent the Bank before any authority(ies), to give effect to this resolution and the aforesaid resolutions.”

ITEM NO. 3: TO CONSIDER AND APPROVE THE ISSUANCE OF EQUITY SHARES ON PRIVATE PLACEMENT ON PREFERENTIAL BASIS:

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 42, 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Prospectus and allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, and any other relevant rules, regulations, circulars and notifications made thereunder (including any statutory enactment(s), or modification(s) or amendment(s) thereof for the time being in force) (“Act”), the memorandum of association and the articles of association of the Bank, and the rules, regulations, guidelines, notifications and circulars, if any, issued by the Reserve Bank of India or any other competent authority, the consent of the members of the Bank be and is hereby accorded for the proposed issuance of upto 3,30,12,639 Equity Shares at a price of approximately Rs. 212.04 per Equity Share (Face value of Rs. 10/-) each and at a premium of Rs.202.04 per Equity Share for a total consideration of Rs. 699,99,99,973.56 on a private placement basis to Fincare Business Services Limited(“**Investors**”).

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RESOLVED FURTHER THAT Mr. Rajeev Yadav, Managing Director & Chief Executive Officer or Mr. Keyur Doshi, Chief Financial Officer or Ms. Shefaly Kothari, Company Secretary and any of the Directors or the Company Secretary of the Bank be and are hereby severally authorized to sign and authenticate the private placement offer letter in Form PAS-4, the draft of which was presented and is approved at the meeting, to be circulated to the Investors and make such confirmations and declaration on behalf of the Bank as may be required in relation to the said private placement offer letter as required under the provisions of Sections 42 and 62 of the Act, and the rules framed thereunder and record the name of the Investors in Form PAS-5 under the Companies (Prospectus and Allotment of Securities) Rules, 2014, along with such other prescribed details.

RESOLVED FURTHER THAT Mr. Rajeev Yadav, Managing Director & Chief Executive Officer or Mr. Keyur Doshi, Chief Financial Officer or Ms. Shefaly Kothari, Company Secretary, and any of the Directors or the Company Secretary of the Bank be and are hereby authorised to sign and file all the necessary forms and returns with the Registrar of Companies or any other authority(ies) as applicable, under the Act, and any other relevant rules, regulations, circulars and notifications made thereunder and any other applicable law in force.

RESOLVED FURTHER THAT Mr. Rajeev Yadav, Managing Director & Chief Executive Officer or Mr. Keyur Doshi, Chief Financial Officer or Ms. Shefaly Kothari, Company Secretary and any of the Directors or the Company Secretary of the Bank be and are hereby severally authorized to sign, seal and execute all such documents, deeds, agreements, or any other undertakings and do all such actions, deeds, matters, writings, and things as are necessary or expedient to give effect to the above resolutions connected with the aforesaid proposed issuance and allotment or any other matter incidental thereto.”

Place: Mumbai

Date: October 29, 2023

**By Order of the Board of Directors
For Fincare Small Finance Bank Limited**

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Garden Road, M Ahmedabad Gujarat 380006
India
Website: <https://www.fincarebank.com>
Tel: 1800313313
E-mail: sfbcompsec@fincarebank.com

**Sd/-
Shefaly Kothari
Company Secretary
Membership No:F7698**

NOTES-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.
2. The explanatory statement pursuant to Section 102 (1) of the Companies Act, 2013 relating to the special business to be transacted at the meeting is annexed hereto and forms part of this notice.
3. All the documents including Notice and Explanatory Statement are open for inspection between 10.00 a.m. to 5.00 p.m. on all working days except Saturdays, Sundays and public holidays at the Corporate Office of the Company till the date of this General meeting.

4. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. November 17, 2023 shall be entitled to attend and vote at the EGM.
5. Members / Proxies should bring the duly filled Attendance Slip at the General Meeting. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Proxy forms, in order to be effective, must be deposited at the Corporate Office of the Company, not later than 48 hours before the time fixed for the meeting.
7. Pursuant to Section 20(2) of the Companies Act, 2013 read with Rule 35 of the Companies (Incorporation) Rules, 2014, as amended, companies are permitted to send official documents to their shareholders electronically.
8. The route map showing the venue of the Extra-Ordinary General (EGM) Meeting is attached as per the requirement of SS-2.
9. The Notice of the EGM is being sent to the members whose names appear on the Register of Members or Register of Beneficial Owners as received from RTA as at the close of business hours on October 27, 2023.
10. Members may note that the Notice of EGM is uploaded on the Bank's website on www.fincarebank.com. Members who have not registered their email addresses are requested to register the same with the Company / RTA / respective depository participant(s) ("DPs").
11. Institutional / corporate shareholders (i.e. other than individual / HUF, NRI etc.) are required to send a scanned copy of board resolution / authorization letter for authorizing the representative to attend the EGM of the Company on its behalf and to cast their vote through show of hands/poll. The said resolution/ authorization letter with attested specimen signature of the duly authorized representative shall be sent by registered email id to the scrutinizer at akshay@gakshayassociates.com with a copy marked to sfbcompsec@fincarebank.com.
12. Members holding shares in electronic form are requested to intimate all changes pertaining to their name, postal address, email addresses, telephone/ mobile numbers, Permanent Account Number (PAN), their Company details such as, name of the Company and branch details, Company account number, MICR code, IFSC code, ECS mandates, nominations, power of attorney, change of address/name etc. to their DPs. Any changes effected by the DPs will be automatically reflected in the record maintained by the Depositories.
13. Members are requested to quote their DP ID & Client ID or Folio No. for all correspondences with the Company/RTA.
14. NRI Members are requested to:

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- a) change their residential status on return to India permanently.
- b) furnish particulars of Company account(s) maintained in India with complete name, branch, account type, IFSC code, MICR code, account number and address of the Company with PIN Code no., if not furnished earlier.

In case of Joint holder(s), the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the EGM.

15. All documents referred to in this Notice and the Explanatory Statement setting out the material facts in respect of the special business and the Statutory Registers, will be made available for inspection by the Company and members seeking to inspect the same are requested to send an email to sfbcompsec@fincarebank.com.
16. Members seeking any information with regard to accounts or operations are required to write to the Company at least seven days prior to the date of meeting through email at: sfbcompsec@fincarebank.com with their name, folio No. / DP ID and Client ID, so as to enable the management to keep the information ready. The same will be replied by the Company suitably.

In case if a poll is demanded at the meeting, M/s. Akshay G & Associates, Practicing Company Secretaries will act as Scrutinizer, appointed by the Board, to scrutinize the voting process in fair and transparent manner. The Scrutinizer will provide their report on the votes cast in favour or against the resolutions proposed in EGM and upon receipt of the Scrutinizer report the Chairperson or his / her authorised representative will declare the results. The results of voting will also be uploaded on website of the Company at www.fincarebank.com

Statement pursuant to the provisions of Section 102(1) of Companies Act, 2013

The following Statement sets out all material facts relating to the Special Business as set out in Item no. 1 2 and 3 mentioned in the above Notice:

Item no. 1:

Pursuant to provisions of Section 13 of the Companies Act, 2013, and any other applicable provisions of the Companies Act, 2013 read with rules framed thereunder and Section 49C of the Banking Regulation Act, 1949, approval of the shareholders is envisaged to amend the memorandum of association of the Bank to include a specific power for the Bank to undertake and approve any merger, amalgamation or scheme of arrangement.

None of the Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution except to the extent of their shareholding, or options / equity shares that may be granted /offered to them under the ESOP Scheme, if any in the Resolution set out at Item No. 1 of the Notice.

The Board of Directors recommends the passing of Special Resolution set out at Item No. 1 of the Notice at the meeting.

Item no. 2:

The approval of shareholders for the proposed scheme of amalgamation, as annexed hereto for amalgamation of Fincare Small Finance Bank Limited (hereinafter referred to as **Transferor Company**) into and with AU Small Finance Bank Limited (hereinafter referred to as **Transferee Company**) (hereinafter referred to as **“Scheme”**) is envisaged with the intent of consolidation and leveraging of the significant complementarities, synergies that exist between both the institutions, particularly relating to branch network, geographical presence, expansion of product offerings and customer segments etc. This is synergy and growth-oriented amalgamation, adopting best practices of Banking, Governance and Prudence and it is expected to result in a superior platform benefitting from efficiencies of size and scope over time for all stakeholders such as shareholders, customers, and employees. The Scheme has been approved by the Board of Directors of the Transferor Company and the Transferee Company at their respective meetings held on October 29, 2023.

This amalgamation proposed is in alignment with Bank’s long term growth objectives and poised to deliver substantial benefits through synergy, business expansion and overall growth.

In terms of Section 44A of the Banking Regulations Act, 1949 (**“BR Act, 1949”**) and RBI Master Direction - Amalgamation of Private Sector Banks, Directions, 2016, (**“RBI Master Directions”**) a resolution is required to be passed by a majority in number representing two-thirds in value of the Members of each of the Transferor Company and the Transferee Company, present either in person or by proxy at the respective general meetings of the Members of the Transferor Company and the Transferee Company. Consequently, voting on the resolution is not permitted by way of e-voting or postal ballot. As both the Transferor Company and Transferee Company are banking companies duly licensed under the provisions of the BR Act, 1949, the amalgamation of the Transferor Company with the Transferee Company is exclusively governed by the provisions of Section 44A of the BR Act, 1949 and RBI Master Directions which constitute a composite and complete code governing amalgamation of banking companies, and as such the said amalgamation would require the sanction of the Scheme by Reserve Bank of India (hereinafter referred to as **“RBI”**).

Description of the Companies

Transferor Company i.e. Fincare Small Finance Bank Limited having CIN U67120GJ1995PLC025373 was incorporated on April 05, 1995 under the Companies Act, 1956, having its registered office at 301-306, 3rd Floor, Abhijeet -V, Opp. Mayor’s Bungalow, Law Garden Road, Ahmedabad, Gujarat – 380006. The Transferor Company holds a license as a small finance bank issued by the RBI and is also a scheduled bank. The Transferor Company operates across various states and union territories of India, including in retail and wholesale banking activities. These activities primarily include micro finance lending activities to provide financial assistance to women borrowers of economically weaker sections of society, who are organized as joint liability groups, with a view of enhancement of their livelihoods in a financially viable manner, primarily in the rural areas of India. Further, the Transferor Company is engaged in providing financial assistance to the borrowers to use the money to augment the household income through loan against property. In addition, the Transferor Company offers other products, including institutional finance, gold loan, two-wheeler loans, affordable housing loans and overdraft facility against fixed deposits or properties. The non-convertible debentures issued by the Transferor Company are listed on BSE Limited.

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Transferee Company, i.e. AU Small Finance Bank Limited having CIN: L36911RJ1996PLC011381 is a public listed Bank which was incorporated on January 10, 1996, under the Companies Act, 1956, having its registered office at 19-A, Ajmer Road, Dhuleshwar Garden, Jaipur, Rajasthan, 302001. The Transferee Company holds a small finance bank license issued by RBI and is also a scheduled commercial bank. The Transferee Company is engaged in providing a range of banking and financial services in India including retail banking, wholesale banking, treasury operations and other services. The equity shares of Transferee Company are listed on BSE Limited (**Stock Code:540611**) and on National Stock Exchange of India Limited (**Stock Code: AUBANK**). The non-convertible debentures issued by the Transferee Company are listed on BSE Limited.

This Scheme is presented, inter alia for the amalgamation of the Transferor Company into and with the Transferee Company, with effect from the Appointed Date (as defined in the Scheme), and the consequent dissolution of the Transferor Company without being wound up, and the issuance of the New Transferee Company Shares (as defined in Scheme) to the equity shareholders of the Transferor Company in accordance with the Share Exchange Ratio (as defined in the Scheme), pursuant to requirement under Section 44-A of the BR Act, 1949 and RBI Master Directions.

Below are some key points of Scheme for the consideration of Shareholders:

1. RATIONALE OF THE SCHEME

The proposed Amalgamation would be in the best interest of the Banks and their respective shareholders, employees, and other stakeholders as the proposed Amalgamation will yield advantages as set out inter alia herein below:

- (i) The Transferor Company and the Transferee Company believe the consolidation proposed through this Scheme is founded on leveraging of the significant complementarities that exist between both the small finance banks, particularly relating to branch network, product offerings and customer segments. This revenue synergy led and growth-oriented amalgamation, adopting best practices of banking, technology, governance and prudence from both banks, is expected to result in a superior platform benefitting from efficiencies of size and scope over time for all stakeholders such as customers, employees, and shareholders;
- (ii) accelerate build out of pan India distribution franchise;
- (iii) diversification of portfolio with access to rural geography and micro finance business leading to greater financial inclusion;
- (iv) while the Transferee Company has pan-India presence in 21 (twenty one) States and 3 (three) Union Territories with a strong presence in western, northern and central part of India, the proposed Amalgamation will enhance reach and distribution, and help expand geographic coverage thereby leading to accelerated expansion of both deposit and asset franchise across complementary markets;
- (v) realise synergies arising from the combination including revenue synergies from cross sell

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to the Transferor Company’s deposit base, reduction in funding cost and realisation of scale driven productivity and cost efficiencies over time; and

- (vi) providing customers of both Companies with access to wider suite of products and services.

2. DATE OF TAKING EFFECT OF THIS SCHEME

The Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.

Appointed Date: means February 01,2024 or such other date as may be fixed mutually by the Transferor Company and the Transferee Company and sanctioned by the RBI.

Effective Date: means a date specified by the RBI, which is (a) after the fulfilment or waiver of the conditions specified in Clauses 24.1, 24.3, 24.4, and 24.5 of the Scheme; and (b) on or after the Appointed Date. References in the Scheme to the “coming into effect of the Scheme” or “Scheme becoming effective” “on this Scheme becoming effective” or “upon this Scheme becoming effective” or “effectiveness of this Scheme” or “effect of this Scheme” or “pursuant to this Scheme coming into effect” shall mean the Effective Date.

3. SHARE EXCHANGE RATIO: Upon the coming into effect of the Scheme:

Transferee Company shall, without any further application or deed, allot to the Record Date Shareholders (as defined in the Scheme) 579 (Five Hundred Seventy-Nine) New Transferee Company Shares (as defined in the Scheme) in respect of every 2000 (Two Thousand) equity shares of INR 10 (Indian Rupees ten) each, fully paid up held by them in the Transferor Company.

The equity share exchange ratio has been arrived at by independent valuers and has been approved separately and independently by the Boards of Directors of both the Transferor Company and Transferee Company. The same has been approved as being a fair exchange ratio after considering the independent valuation made by RBSA Valuation Advisors LLP who were appointed as the independent valuer by the Transferor Company for this purpose, jointly with Banshi S. Mehta Valuers LLP who were appointed as the independent valuer by the Transferee Company for this purpose, and both valuers having issued a joint valuation report. Further, a “fairness opinion” on the share exchange ratio was obtained from IIFL Securities Limited, a merchant banker registered with the Securities and Exchange Board of India.

4. CAPITAL STRUCTURE OF THE TRANSFEE COMPANY (PRE AND POST AMALGAMATION):

The Pre & Post Amalgamation Share Capital Structure of the Transferee Company is as under:

PRE AMALGAMATION

Authorized Share Capital	Amount in INR
1,20,00,00,000 equity shares of INR 10 each	12,00,00,00,000
Total	12,00,00,00,000

Issued, Subscribed & Paid-Up Capital	Amount in INR
66,82,28,624 equity shares of INR 10 each	6,68,22,86,240
Total	6,68,22,86,240

POST AMALGMATION*

Authorized Share Capital	Amount in INR
1,20,00,00,000 equity shares of INR 10 each	12,00,00,00,000
Total	12,00,00,00,000
Issued, Subscribed & Paid-Up Capital	Amount in INR
74,17,22,390 equity shares of INR 10 each	7,41,72,23,900
Total	7,41,72,23,900

***Post Amalgamation Shareholding Pattern is prepared basis the pro-forma number including primary capital infusion of Rs. 699,99,99,973.56 crores by FBSL.**

The Transferee Company has outstanding employee stock options under the Transferee Company ESOP Scheme (as defined in the Scheme), the exercise of which may result in further increase in the issued and paid-up capital of the Transferee Company.

5. PRE AND POST SHAREHOLDING PATTERN

(Shareholders holding 1% or more shares in the Transferee Company are mentioned herein below under respective category)

Transferor Company (Pre-Amalgamation) (as on October 27, 2023)

Sr. No.	Category & Name of the shareholders	Total nos. shares held	Shareholding %
1	Promoters and Promoter Group		
1A	Individuals / Hindu Undivided Family	0	0.00%
1B	Bodies Corporate	17,34,89,568	78.55%
	<i>Fincare Business Services Limited</i>	<i>17,34,89,568</i>	<i>78.55%</i>
	Total Promoter and Promoter Group (1)= (1A+1B)	17,34,89,568	78.55%
2	Public		
2A	Institutions (Domestic)		
	Mutual Fund	0	0.00%
	Alternate Investment Funds	53,28,195	2.41%
	<i>TRUE NORTH FUND V LLP</i>	<i>51,59,355</i>	<i>2.34%</i>
	Banks	0	0.00%
	Insurance Companies	37,47,660	1.70%
	Total Institutions (Domestic) (2A)	90,75,855	4.11%
2B	Institutions (Foreign)		
	Foreign Portfolio Investors	0	0.00%

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Sr. No.	Category & Name of the shareholders	Total nos. shares held	Shareholding %
	Foreign Institutional Investors	0	0.00%
	Others- Body Corporate	2,36,63,949	10.72%
	<i>AMETHYST INCLUSION PTE LTD</i>	86,50,434	3.92%
	<i>TA FDI INVESTORS LIMITED</i>	54,80,130	2.48%
	<i>INDIUM IV MAURITIUS HOLDINGS LIMITED</i>	50,04,870	2.27%
	<i>OMEGA TC HOLDINGS PTE LTD</i>	26,01,570	1.18%
	Total Institutions (Foreign) (2B)	2,36,63,949	10.72%
2C	Central Government/ State Government(s)	0	0.00%
	Total Central Government/ State Government(s) (2C)	0	0.00%
2D	Non-Institutions		
	Resident Individual holding nominal share capital up to Rs. 2 lakhs	3,16,553	0.14%
	Resident individual holding nominal share capital in excess of Rs. 2 lakhs	48,87,379	2.21%
	Non Resident Indians (NRIs)	20,000	0.01%
	Bodies Corporate	20,05,352	0.91%
	Trusts	73,74,297	3.34%
	<i>VISTRA ITCL I LTD BUSINESS EXCELLENCE TRUST III INDIA BUSINESS EXCELLENCE FUND III</i>	73,74,297	3.34%
	Body Corp-Ltd Liability Partnership	0	0.00%
	Hindu Undivided Family	18,887	0.01%
	Clearing Member	0	0.00%
	Total Non-Institutions (2D)	1,46,22,468	6.62%
	Total Public Shareholding (2) = (2A+2B+2C+2D)	4,73,62,272	21.45%
	TOTAL SHAREHOLDING	22,08,51,840	100.00%

Transferee Company (Pre & Post Amalgamation)

Sr. No.	Category & Name of the shareholders	Pre-Amalgamation As on October 27, 2023		Post-Amalgamation*	
		Total nos. shares held	Shareholding %	Total nos. shares held	Shareholding %
1	Promoters and Promoter Group				
1A	Individuals / Hindu Undivided Family	15,94,69,340	23.86%	15,94,69,340	21.50%
	<i>Sanjay Agarwal - Promoter</i>	11,71,91,360	17.54%	11,71,91,360	15.80%
	<i>Jyoti Agarwal - Promoter</i>	2,36,37,120	3.54%	2,36,37,120	3.19%
	<i>Shakuntala Agarwal - Promoter</i>	1,86,40,860	2.79%	1,86,40,860	2.51%
	<i>Yuvraj Agarwal - Promoter Group</i>	-	-	-	-
	<i>Mallika Agarwal - Promoter Group</i>	-	-	-	-
1B	Bodies Corporate	1,08,29,072	1.62%	1,08,29,072	1.46%

FINCARE SMALL FINANCE BANK LIMITED

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www.fincarebank.com

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Sr. No.	Category & Name of the shareholders	Pre-Amalgamation As on October 27, 2023		Post-Amalgamation*	
		Total nos. shares held	Shareholding %	Total nos. shares held	Shareholding %
	<i>Mys Holdings Private Limited - Promoter Group</i>	1,08,29,072	1.62%	1,08,29,072	1.46%
	Total Promoter and Promoter Group (1)=(1A+1B)	17,02,98,412	25.49%	17,02,98,412	22.96%
2	Public				
2A	Institutions (Domestic)				
	Mutual Fund	7,27,33,600	10.88%	7,27,33,600	9.81%
	<i>Kotak Flexicap Fund</i>	3,03,59,268	4.54%	3,03,59,268	4.09%
	<i>Nippon Life India Trustee Ltd-A/C Nippon India Growth Fund</i>	1,02,10,060	1.53%	1,02,10,060	1.38%
	<i>Dsp Midcap Fund</i>	94,28,572	1.41%	94,28,572	1.27%
	<i>Uti Flexi Cap Fund</i>	74,03,116	1.11%	74,03,116	1.00%
	Alternate Investment Funds	3,79,16,453	5.67%	3,94,58,965	5.32%
	<i>Westbridge Aif I</i>	3,20,53,180	4.80%	3,20,53,180	4.32%
	Banks	727	0.00%	727	0.00%
	Insurance Companies	2,10,75,515	3.15%	2,21,60,463	2.99%
	<i>Hdfc Life Insurance Company Limited</i>	1,15,57,124	1.73%	1,15,57,124	1.56%
	Total Institutions (Domestic) (2A)	13,17,26,295	19.71%	13,43,53,755	18.11%
2B	Institutions (Foreign)				
	Foreign Portfolio Investors	27,56,28,226	41.25%	27,56,28,226	37.16%
	<i>Smallcap World Fund, Inc</i>	3,19,37,993	4.78%	3,19,37,993	4.31%
	<i>New World Fund Inc</i>	2,86,69,552	4.29%	2,86,69,552	3.87%
	<i>Camas Investments Pte. Ltd.</i>	2,69,39,946	4.03%	2,69,39,946	3.63%
	<i>Nomura India Investment Fund Mother Fund</i>	1,53,05,638	2.29%	1,53,05,638	2.06%
	<i>St. James's Place Emerging Markets Equity Unit Trust Managed By Wasatch Advisors Inc</i>	72,33,876	1.08%	72,33,876	0.98% [^]
	<i>Kotak Funds - India Midcap Fund</i>	69,61,061	1.04%	69,61,061	0.94% [^]
	<i>Janchor Partners Pan-Asian Master Fund</i>	69,96,074	1.05%	69,96,074	0.94% [^]
	Foreign Institutional Investors	2,31,510	0.03%	2,31,510	0.03%
	Others- Body Corporate	-	-	68,50,713	0.92%
	Total Institutions (Foreign) (2B)	27,58,59,736	41.28%	28,27,10,449	38.12%
2C	Central Government/ State Government(s)				
	Central Government / President of India	186	0.00%	186	0.00%
	Total Central Government/ State Government(s) (2C)	186	0.00%	186	0.00%
2D	Non-Institutions				
	Resident Individual holding nominal share capital up to Rs. 2 lakhs	3,10,48,996	4.65%	3,11,40,638	4.20%
	Resident individual holding nominal share capital in excess of Rs. 2 lakhs	3,07,86,572	4.61%	3,22,01,468	4.34%
	<i>Uttam Tibrewal</i>	1,37,97,468	2.06%	1,37,97,468	1.86%
	Non Resident Indians (NRIs)	40,99,302	0.61%	41,05,092	0.55%

Sr. No.	Category & Name of the shareholders	Pre-Amalgamation As on October 27, 2023		Post-Amalgamation*	
		Total nos. shares held	Shareholding %	Total nos. shares held	Shareholding %
	Bodies Corporate	1,34,11,598	2.01%	7,37,74,536	9.95%
	<i>Fincare Business Services Limited</i>	-	-	5,97,82,389	8.06%
	Trusts	63,80,582	0.95%	85,15,441	1.15%
	<i>VISTRA ITCL I LTD BUSINESS EXCELLENCE TRUST III INDIA BUSINESS EXCELLENCE FUND III</i>	-	-	83,63,455	1.13%
	Body Corp-Ltd Liability Partnership	17,12,914	0.26%	17,12,914	0.23%
	Hindu Undivided Family	6,44,505	0.10%	6,49,973	0.09%
	Clearing Member	22,59,526	0.34%	22,59,526	0.30%
	Total Non-Institutions (2D)	9,03,43,995	13.52%	15,43,59,588	20.81%
	Total Public Shareholding (2) = (2A+2B+2C+2D)	49,79,30,212	74.51%	57,14,23,978	77.04%
	TOTAL SHAREHOLDING	66,82,28,624	100.00%	74,17,22,390	100.00%

***Post Amalgamation Shareholding Pattern is prepared basis the pro-forma number including primary capital infusion of Rs. 699,99,99,973.56 crores by FBSL.**

Note: The Transferor Company & Transferee Company has outstanding employee stock options under their respective ESOP Schemes, the exercise of which may result in further increase in the issued and paid-up capital.

6. FRACTIONAL ENTITLEMENT

In case any Transferor Company's shareholder becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of the New Transferee Company Shares (as defined in the Scheme) by the Transferee Company, the Transferee Company shall not issue fractional shares to such shareholder and shall consolidate all such fractional entitlements and round up the aggregate of such fractions to the next whole number and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Transferee Company ("Trustee"), who shall hold such New Transferee Company Shares thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices at any time within a period of 90 (ninety) days from the date of allotment, and on such sale, distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds may be rounded off to the next INR. Any such distribution shall take place only on the sale of all the fractional shares of the Transferee Company by the Trustee pertaining to the fractional entitlements.

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7. STAFF AND EMPLOYEES

With effect from the Effective Date, all the staff and employees of the Transferor Company who are in such employment as on the Effective Date, shall become and be deemed to have become, the staff and employees of the Transferee Company, without any break or interruption in their service and on the terms and conditions not less favourable than those on which they were engaged by the Transferor Company.

From the Effective Date, entitlements to receive shares of the Transferor Company under Transferor Company ESOP Scheme shall automatically become entitlements to receive shares of the Transferee Company.

8. ACCOUNTING TREATMENT

The accounting treatment in respect of assets, liabilities and reserves and surplus of the Transferor Company in the books of the Transferee Company shall be in accordance with “Pooling of Interest Method” of accounting as per accounting standards as notified under the applicable law. All assets, liabilities and reserves and surplus, of the Transferor Company shall be recorded in the books of account of the Transferee Company as at the Appointed Date at their existing carrying amounts and in the same form as appearing in the books of Transferor Company.

9. DISSENTING SHAREHOLDERS

Any member of the Transferor Company or member of the Transferee Company, as the case may be, who votes against the Scheme at the meeting of the Transferor Company or the Transferee Company, as the case may be, or gives notice in writing at or prior to the meeting of the Transferor Company or the Transferee Company, as the case may be, or to the presiding officer of the meeting of either the Transferor Company or the Transferee Company, as the case may be, that he/she dissents from the Scheme, shall be entitled, in the event of the Scheme being sanctioned by the RBI under Section 44A of the BR Act, 1949 to claim from the Transferor Company or the Transferee Company, as the case may be, in respect of equity shares held by him in the Transferor Company or the Transferee Company, as the case may be, their value as determined by the RBI when sanctioning the Scheme, within 3 (three) months from the date of sanction of the RBI.

Such dissenting members shall compulsorily tender the said shares held by them in the Transferor Company or the Transferee Company, as the case may be, to the Transferor Company or the Transferee Company, respectively, for cancellation thereof and to that extent, without any further act, instrument or deed, the equity share capital of the Transferor Company or the Transferee Company, as the case may be, shall stand reduced or be deemed to have been reduced, by such number of the said shares as held and tendered by such Member of the Transferor Company or member of the Transferee Company, on the date immediately preceding the Effective Date. The determination by the RBI as to the value of the equity shares to be paid to the dissenting Member of the Transferor Company or member of the Transferee Company shall be final for all purposes.

10. DIRECTOR APPOINTMENT

Subject to applicable law, the Transferee Company proposes to appoint Mr. Divya Sehgal, an existing director of the Transferor Company, as a non-executive, non-independent, non-retiring director to the

Board of the Transferee Company for a period of 3 (three) years commencing from the Effective Date.

11. CONDITIONS PRECEDENT

As specified in para 24 of the Scheme, the Scheme is specifically conditional upon and subject to, inter alia:

- (i) consent by a majority in number representing two-thirds in value of, the members of the Transferor Company and members of the Transferee Company, in their respective meetings, present in person or by proxy, at a meeting called for the purpose.
- (ii) sanction of the RBI to this Scheme by an order in writing passed in this behalf pursuant to Section 44-A of the BR Act and RBI Guidelines.
- (iii) the Transferor Company and the Transferee Company having received the CCI Approval (as defined in the Scheme).
- (iv) the Transferor Company having received the FBSL Subscription Amount (as defined in the Scheme) from Fincare Business Services Limited (“**FBSL**”) and shall have issued and allotted the Transferor Company Subscription Shares (as defined in the Scheme) to FBSL.

12. WITHDRAWAL OF SCHEME

The Transferor Company and the Transferee Company acting jointly and not individually (except as otherwise agreed by the Parties, in which case either Party, acting individually), shall be at liberty to withdraw the Scheme from the RBI, any time before the RBI having granted its approval to the Scheme under Section 44-A of BR Act.

13. MISCELLANEOUS

The Transferor Company and the Transferee Company have also entered into an implementation agreement along with FBSL to ensure parties’ cooperation in relation to the merger and related matters such as business continuity.

In order to give effect to the Scheme under the provisions of law, both the Transferor Company and the Transferee Company are required to obtain the consent and approval of their members to the proposed Scheme under the provisions of Section 44A of the BR Act, 1949 and RBI Guidelines. The consent of the members of the Transferor Company and the Transferee Company is sought to be obtained for this purpose through separate general meetings to be conducted on November 24, 2023 and November 27, 2023, respectively.

The Scheme of amalgamation is annexed herewith as **Annexure 1**.

The copies of following documents shall be available for inspection by the Equity Shareholders of the Transferor Company at its Registered Office during the normal business hours between 10:00 AM (IST) to 5:00 PM (IST) on working days up to the date of the EGM.

- Scheme of Amalgamation;
- Implementation agreement dated October 29, 2023 executed amongst Transferor Company, Transferee Company and FBSL;

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- Copy of the Joint Valuation Report dated October 29, 2023 issued by RBSA Valuation Advisors LLP , independent Registered Valuer appointed by the Transferor Company and Bansil S. Mehta Valuers LLP, independent Registered Valuer appointed by the Transferee Company;
- Copy of the Fairness Opinion dated October 29, 2023 issued by IIFL Securities Limited to Transferor Company
- Copy of the Memorandum and Articles of Association of the Transferor Company and the Transferee Company;
- Copy of the Annual Reports of the Transferor Company and the Transferee Company for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021;
- Other documents considered by the Board at its meeting to approve the Scheme of Amalgamation.

None of the Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution except to the extent of their shareholding, or options / equity shares that may be granted /offered to them under the ESOP Scheme, if any in the Resolution set out at Item No. 2 of the Notice.

The Board of Directors recommends the passing of Resolution set out at Item No. 2 of the Notice for approval by the majority in number representing two-thirds in value of the shareholders of the Bank present (either in person or by proxy) at the meeting.

Item no. 3:

The Members may note that considering the growth opportunities available, the Bank proposes to raise funds for general corporate purposes of the Company, by way of issue of equity shares on private placement basis to Fincare Business Services Limited, in compliance with Section 42 read with Section 62 of the Companies Act, 2013.

Pursuant to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 13 of the Companies (Share Capital and Debenture) Rules, 2014, below are the details of the proposed issue of equity shares on private placement basis:

#	Particulars	Details
1	The objects of the issue	Company proposes to utilize the funds towards augmenting its capital base to meet its future capital requirements arising out of the growth of business and assets
2	The price or price band at/within which the allotment is proposed	Rs.212.04 per Equity Share (Face value of Rs. 10/- each and premium of Rs.202.04 each)
3	The class or classes of persons to whom the allotment is proposed to be made	Body Corporate
4	Intention of promoters, directors or key managerial personnel to subscribe to the offer	Fincare Business Services Limited, who is a Promoter of the Company is the subscriber to the offer. None of the Directors, Key Managerial Personnel are subscribers to the offer.

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5	The proposed time within which the allotment shall be completed	One year from the approval of shareholders in general meeting
6	The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them	Fincare Business Services Limited & 81.34%
7	The change in control, if any, in the company that would occur consequent to the preferential offer	Not applicable
8	The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price	Nil
9	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer	Not applicable
10	The pre issue and post issue shareholding pattern of the company in the prescribed format	Annexure 2
11	Particulars of the offer including date of passing of Board resolution/ The total number of shares or other securities to be issued	3,30,12,639 equity shares at an issue price of Rs.212.04 (Face value of Rs. 10/- each and premium of Rs.202.04 each) for a total consideration of Rs. 699,99,99,973.56 Crores Date of board resolution: October 29, 2023
12	Kinds of securities offered and the price at which security is being offered	Equity Shares at an issue price of Rs. 212.04 per Equity Share including premium of Rs.202.04 each
13	Basis or justification for the price (including premium, if any) at which the offer or invitation is being made/ Basis on which the price has been arrived at along with report of the registered valuer	Valuation Report dated October 29, 2023. A copy of the said valuation report shall be kept open for inspection of the Members of the Company until the date of the EGM.
14	Name and address of valuer who performed valuation	by RBSA Valuation Advisors LLP, 1121/11, Solitaire Corporate Park, Chakala, Andheri Kurla Road, Andheri (East) Mumbai-400093, MH
15	Relevant date with reference to which the price has been arrived at	October 28, 2023
16	Amount which the Company intends to raise by way of such securities	Upto Rs. 699,99,99,973.56 Crores
17	Material terms of raising such securities, proposed time schedule, purposes or objects of offer, contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects; principle terms of assets charged as securities	Terms of the offer are as specified in the PAS-4 and the proposed resolution. Objects of the issue are as stated above in the disclosure. The Promoters or Directors are not making any contribution in the

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	offer and there is no creation of security required.
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None of the Director/Key Managerial Personnel of the Bank or their relatives are, in any way concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the Notice.

The Board of Directors recommends the passing of Special Resolution set out at Item No. 3 of the Notice at the meeting.

Place: Mumbai

Date: October 29, 2023

Registered Office: 301-306, 3rd Floor,
ABHIJEET-V, Opp. Mayor's Bungalow, Law
Garden Road, M Ahmedabad Gujarat 380006
India

Website: <https://www.fincarebank.com>

Tel: 1800313313

E-mail: sfbcompsec@fincarebank.com

**By Order of the Board of Directors
For Fincare Small Finance Bank Limited**

**Sd/-
Shefaly Kothari
Company Secretary
Membership
No:F7698**

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ATTENDANCE SLIP
FINCARE SMALL FINANCE BANK LIMITED
CIN: U67120GJ1995PLC025373

I/we certify that I/we am/are a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the Extra Ordinary General Meeting of Members held on Friday, November 24, 2023 at 12:00 Noon at 5th Floor, Bren Mercury, Kaikondanahalli, Sarjapur Main Road, Bangalore-560035.

Folio No.	
DP ID & Client ID*	
No. of shares held	
Member's/Proxy's name in Block Letters	
Member's/Proxy's Signature Note :	

*Applicable in case shares are held in electronic form.

Note: Please fill this attendance slip and hand it over at the entrance of the hall.

Member's / Proxy's name in Block letters

Signature of Member / Proxy

Note: Please fill in the attendance slip and hand it over at the entrance of the Meeting Hall. Joint Shareholder(s) may obtain additional attendance slip at the venue of the meeting.

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Form No. MGT-11
Proxy form

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014]*

Name of the member (s):
Registered Address:
E-Mail ID:
Folio No. / Client ID:
DP ID:

I/We, _____, being a member / member (s) of Fincare Small Finance Bank Limited, the above named company, hereby appoint: :

1.
Name:.....Address:.....
E-mail ID.....Signature.....or
failing him

2.
Name:.....Address:.....
.....
E-mail ID:.....Signature.....or
failing him

3.

Name:.....Address:.....

E-mail ID:Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extra-Ordinary General Meeting of the company to be held on Friday, November 24, 2023 at 12:00 Noon at 5th Floor, Bren Mercury, Kaikondanahalli, Sarjapur Main Road, Bangalore - 560035, Karnataka in respect of such resolutions as are indicated below

Sr. No.	Resolution
1.	Special Business – Special Resolution TO CONSIDER AND APPROVE THE PROPOSED AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF THE BANK
2.	Special Business – Requisite Majority TO CONSIDER AND APPROVE THE SCHEME OF AMALGAMATION
3.	Special Business – Special Resolution TO CONSIDER AND APPROVE THE ISSUANCE OF EQUITY SHARES ON PRIVATE PLACEMENT ON PREFERENTIAL BASIS

Signed this _____ day of _____ 2023

Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp

Notes to Proxy Form:

1. The Proxy, in order to be effective should be deposited at the Registered Office of the Company not later than forty-eight hours before the commencement of the General Meeting.
2. A Proxy need not be a member of the Company.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the register of members.
4. The Proxy is *conferred* the right to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting and in such cases, the Proxy will stand automatically revoked.
6. In case a member wishes his / her votes to be used differently, he/she should indicate the number of shares under the columns 'For' or 'Against' as appropriate.
7. An instrument of Proxy duly filled, stamped, and signed, is valid only for the meeting to which it relates including any adjournment thereof.
8. An instrument of Proxy is valid only if it is properly stamped. (Unstamped or Inadequately stamped Proxies or Proxies upon which the stamps have not been cancelled are invalid).
9. The Proxyholder should prove his identity at the time of attending the meeting.
10. A proxy form which does not state the name of the Proxy will not be considered valid.
11. An undated Proxy will not be considered valid.
12. If a company receives multiple Proxies for the same holdings of a member, the proxy which is dated last is considered valid, if they are not dated or bear the same date without specific mention of time, all such multiple Proxies should be treated as invalid.
13. If a Proxy had been appointed for the original meeting and such meeting is adjourned, any proxy given for the adjourned meeting revokes the proxy given for the original meeting.
14. A Proxy is valid until written notice of revocation has been received by the company before the commencement of the meeting or adjourned meeting, as the case may be.
15. A Proxy need not be informed of the revocation of the Proxy issued by the member. An updated letter of revocation of Proxy shall not be accepted. A notice of revocation should be signed by the same person who had signed the Proxy in the case of joint membership.

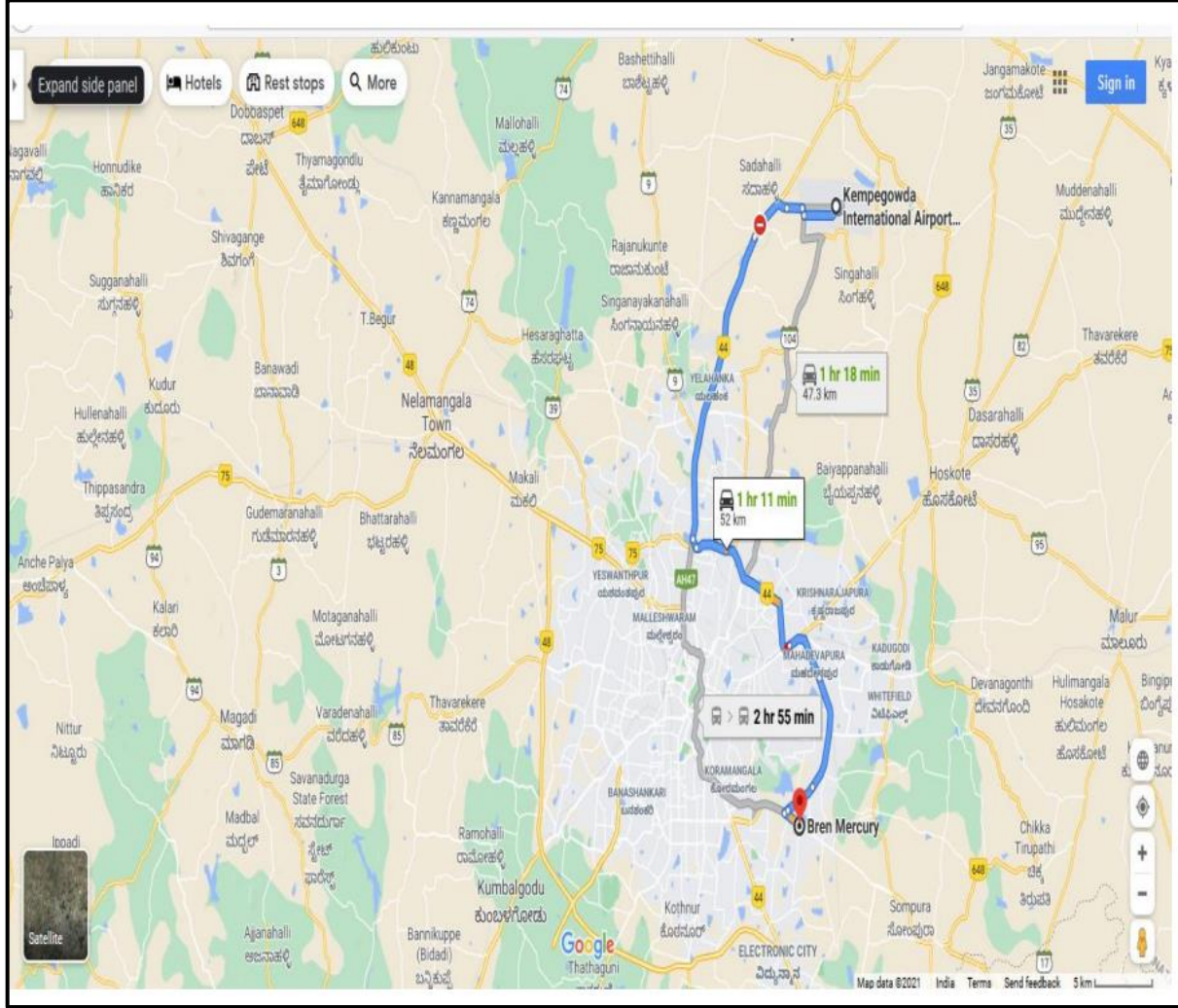
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ROUTE MAP FROM BANGALORE AIRPORT TO VENUE OF THE MEETING
Prominent Land Mark of the Company – Sarjapur Main Road, Opp. Kaikondanahalli Lake



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ANNEXURE-I

DRAFT SCHEME OF AMALGAMATION

OF

**FINCARE SMALL FINANCE BANK LIMITED
(TRANSFEROR COMPANY)**

WITH

**AU SMALL FINANCE BANK LIMITED
(TRANSFeree COMPANY)**

**(UNDER REGULATION 44-A OF THE BANKING REGULATION ACT, 1949 AND
RESERVE BANK OF INDIA MASTER DIRECTION - AMALGAMATION OF PRIVATE
SECTOR BANKS DIRECTIONS, 2016)**

This Scheme (*as defined hereinafter*) is presented under Section 44-A of the BR Act (*as defined hereinafter*) and RBI Amalgamation Directions (*as defined hereinafter*) for the amalgamation of Fincare Small Finance Bank Limited with AU Small Finance Bank Limited and for various other matters consequential, incidental, supplementary or otherwise integrally connected therewith.

PARTS OF THE SCHEME

This Scheme is divided into the following parts:

- (a) **PART I** deals with the general description of the Companies (*as defined hereinafter*), a brief overview of the Scheme and the rationale and benefits of this Scheme;
- (b) **PART II** deals with the definitions and interpretation, date of taking effect of this Scheme and the share capital of the respective Companies;
- (c) **PART III** deals with the amalgamation of the Transferor Company (*as defined hereinafter*) with the Transferee Company (*as defined hereinafter*); and
- (d) **PART IV** deals with the general terms and conditions applicable to this Scheme.

PART I

1. DESCRIPTION OF THE TRANSFEROR COMPANY

1.1 FINCARE SMALL FINANCE BANK LIMITED

- (i) Fincare Small Finance Bank Limited, having CIN U67120GJ1995PLC025373 was incorporated on April 5, 1995 under the Companies Act, 1956, having its registered office at 301-306, 3rd Floor, Abhijeet -V, Opp. Mayor's Bungalow, Law Garden Road, Ahmedabad, Gujarat – 380006 (hereinafter referred to as the “**Transferor Company**”).
- (ii) The Transferor Company holds a license as a small finance bank issued by the RBI (*as defined hereinafter*) and is also a scheduled commercial bank. The Transferor Company operates across various states and union territories of India, including retail and wholesale banking activities. These activities primarily include micro finance lending activities to provide financial assistance to women borrowers of economically weaker society, who are organized as joint liability groups, with a view of enhancement of their livelihoods in a financially viable manner, primarily in the rural areas of India. Further, the Transferor Company is engaged in providing financial assistance to the borrowers to use the money to augment the household income through loan against property. In addition, the Transferor Company offers other products, including institutional finance, gold loan, two-wheeler loans, affordable housing loans and overdraft facility against fixed deposits or properties. The non-convertible debentures issued by the Transferor Company are listed on BSE (*as defined hereinafter*).

2. DESCRIPTION OF THE TRANSFEREE COMPANY

2.1. AU SMALL FINANCE BANK LIMITED

- (i) AU Small Finance Bank Limited, having CIN L36911RJ1996PLC011381 is a public listed company which was incorporated on January 10, 1996, under the Companies Act, 1956, having its registered office at 19-A, Ajmer Road, Dhuleshwar Garden, Jaipur, Rajasthan, 302001 (hereinafter referred to as the “**Transferee Company**”).
- (ii) The Transferee Company holds a small finance bank license issued by RBI. The Transferee Company is engaged in providing a range of banking and financial services in India including retail banking, wholesale banking and treasury operations and other services. The equity shares of Transferee Company are listed on BSE (Stock Code:540611) and on NSE (*as defined hereinafter*) (Stock Code: AUBANK). The non-convertible debentures issued by the Transferee Company are listed on BSE.

3. OVERVIEW OF THE SCHEME

- 3.1 This Scheme is presented, *inter alia* for the amalgamation of the Transferor Company with and into the Transferee Company, with effect from the Appointed Date (*as defined hereinafter*), and the consequent dissolution of the Transferor Company without being wound up, and the issuance of the New Transferee Company Shares (*as defined hereinafter*) to the equity shareholders of the Transferor Company in accordance with the Share Exchange Ratio (*as defined hereinafter*), pursuant to Section 44-A of the BR Act and RBI Amalgamation Directions.

4. RATIONALE OF THE SCHEME

- 4.1 The proposed Amalgamation would be in the best interest of the Companies and their respective shareholders, employees, and other stakeholders as the proposed Amalgamation will yield advantages as set out *inter alia* below:
 - (i) The Transferor Company and the Transferee Company believe the consolidation proposed through this Scheme is founded on leveraging of the significant complementarities that exist between both the small finance banks, particularly relating to branch network, product offerings and customer segments. This revenue synergy led and growth-oriented amalgamation, adopting best practices of banking, technology, governance and prudence from both banks, is expected to result in a superior platform benefitting from efficiencies of size and scope over time for all stakeholders such as customers, employees, and shareholders;
 - (ii) accelerate build out of pan India distribution franchise;
 - (iii) diversification of portfolio with access to rural geography and micro finance business leading to greater financial inclusion;
 - (iv) while the Transferee Company has pan-India presence in 21 (twenty one) States and 3 (three) Union Territories with a strong presence in western, northern and central part of India, the proposed Amalgamation will enhance reach and distribution, and help expand geographic coverage thereby leading to accelerated expansion of both deposit and asset franchise across complementary markets;
 - (v) realise synergies arising from the combination including revenue synergies

from cross sell to the Transferor Company's deposit base, reduction in funding cost and realisation of scale driven productivity and cost efficiencies over time; and

- (vi) providing customers of both Companies with access to wider suite of products and services.

PART II

DEFINITIONS AND INTERPRETATION, DATE OF EFFECT OF THE SCHEME AND SHARE CAPITAL OF THE TRANSFEROR COMPANY AND THE TRANSFEREE COMPANY

5. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 5.1 “**Accounting Standards**” means the Indian Accounting Standards as notified under Section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules, 2021 to the extent applicable and Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), other accounting principles generally accepted in India and principles which are recommended by the Institute of Chartered Accountants of India and required to be used or adopted by such company in the preparation of its financial statements from time to time and consistently applied, and read with the regulatory guidance on such accounting standards framed by RBI, as applicable to such company.
- 5.2 “**Act**” means the Companies Act, 2013.
- 5.3 “**Amalgamation**” means the amalgamation of the Transferor Company into and with the Transferee Company pursuant to this Scheme.
- 5.4 “**Applicable Law**” means (a) all applicable statutes, enactments, acts of legislature or Parliament, constitutions, treaties, laws (including the common law), codes, ordinances, rules, bye-laws, regulations, notifications, circulars, guidelines, policies, directions, directives, and orders of Government, statutory authority, SEBI, courts of India having the force of law enacted (any statutory modifications or re-enactment thereof for the time being in force); (b) administrative interpretation, writ, injunction, decisions, directions, directives, judgment, arbitral award, decree, orders or governmental approvals of, or agreements with, any Appropriate Authority; and (c) international treaties, conventions and protocols, as may be in force from time to time.
- 5.5 “**Appointed Date**” means February 1, 2024, or such other date as may be fixed mutually by the Transferor Company and the Transferee Company and sanctioned by the RBI.
- 5.6 “**Appropriate Authority**” means and includes any applicable governmental statutory, departmental or public body or authority, including any Tax Authority, RBI, Stock Exchanges, and CCI.
- 5.7 “**Board**” in relation to a Company, shall mean the board of directors of such

Company, and shall include any committee thereof or any person authorized by such board of directors or any person authorised by such committee duly constituted by the directors and authorised for the matters pertaining to this Scheme or any other matter relating thereto.

- 5.8 “**BR Act**” means the Banking Regulation Act, 1949, and includes all rules, regulations, guidelines and circulars issued by the RBI thereunder for the time being in force.
- 5.9 “**BSE**” means the BSE Limited.
- 5.10 “**Business Day**” shall mean a day, other than a Saturday, Sunday or a public holiday in Jaipur (India), and Ahmedabad (India), on which banks are open in Jaipur (India), and Ahmedabad (India) for general commercial business.
- 5.11 “**CCI**” means the Competition Commission of India.
- 5.12 “**CCI Approval**” means the approval from the CCI, under the Competition Act, 2002 and the rules thereunder, for the Scheme which provides *inter alia* for the Amalgamation.
- 5.13 “**Companies**” means collectively the Transferor Company and the Transferee Company.
- 5.14 “**Effective Date**” means a date specified by the RBI, which is (a) after the fulfilment or waiver of the conditions specified in Clauses 24.1, 24.3, 24.4 and 24.5; and (b) on or after the Appointed Date. References in the Scheme to the “**coming into effect of the Scheme**” or “**Scheme becoming effective**” “**on this Scheme becoming effective**” or “**upon this Scheme becoming effective**” or “**effectiveness of this Scheme**” or “**effect of this Scheme**” or “**pursuant to this Scheme coming into effect**” shall mean the Effective Date.
- 5.15 “**Eligible Employees**” means all those employees of the Transferor Company who are entitled to options under the Transferor Company ESOP Scheme established by the Transferor Company and to whom, as on the Effective Date, options of the Transferor Company have been granted.
- 5.16 “**Encumbrance**” or “**Encumber**” means: (a) any mortgage, charge (whether fixed or floating), pledge, lien, negative lien, power of attorney (conferring power to create charge or security), agreement to create charge or security, any contractual restriction on ability to dispose assets, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance or interest of any kind securing or conferring any priority of payment in respect of any obligation of any person, including any right granted by a transaction which, in legal terms, is not the granting of the security but which has an economic or financial effect similar to the granting of security under Applicable Law; (b) a contract to give or refrain from giving any of the foregoing; (c) any voting agreement, interest, option, right of first offer, refusal, or transfer restriction, including any non-disposal undertaking or lock-in in favour of any person; and (d) any adverse claim as to title, possession or use.

- 5.17 “**FBSL**” means Fincare Business Services Limited, a company incorporated under the laws of India (CIN U74900GJ2014PLC132578), and having its registered office at 301 and 302, 3rd Floor, Abhijeet -V, Opp. Mayor’s Bungalow, Law Garden Road, Ahmedabad, Gujarat – 380006.
- 5.18 “**FBSL Subscription Amount**” means INR 700,00,00,000 (Indian Rupees seven hundred crore).
- 5.19 “**Income Tax Act**” means the Income-tax Act, 1961.
- 5.20 “**INR**” means Indian Rupees.
- 5.21 “**NDI Rules**” means the Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
- 5.22 “**New Transferee Company Shares**” means the fully paid-up equity shares of the Transferee Company issued in accordance with this Scheme, each having a face value of INR 10 (Indian Rupees ten).
- 5.23 “**NSE**” means the National Stock Exchange of India Limited.
- 5.24 “**Person**” shall mean any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, Appropriate Authority or trust or any other entity or organization (whether registered or not and whether or not having separate legal personality).
- 5.25 “**Proceedings**” means all legal, taxation or other proceedings whether civil or criminal including but not limited to suits, summary suits, indigent petitions, assessments, appeals, arbitration, or other proceedings of whatever nature.
- 5.26 “**RBI**” means the Reserve Bank of India.
- 5.27 “**RBI Amalgamation Directions**” means the Master Direction issued by the RBI on Amalgamation of Private Sector Banks Directions, 2016 dated April 21, 2016.
- 5.28 “**Record Date**” means the date fixed by the Board of the Transferee Company and the Transferor Company for the purposes of determination of the Record Date Shareholders.
- 5.29 “**Record Date Shareholders**” means the shareholders whose name appears in the records of the depository of the Transferor Company as on the Record Date or his/her heirs, executors, administrators or successors-in-title, as the case may be.
- 5.30 “**Registrar of Companies**” means the relevant Registrar of Companies having jurisdiction over the Transferor Company or the Transferee Company.
- 5.31 “**Scheme of Amalgamation**” or “**Scheme**” or “**this Scheme**” means this scheme of Amalgamation, under the provisions of Section 44-A of the BR Act and RBI Amalgamation Directions, as approved by the shareholders of the Transferor Company and the Transferee Company (along with any

annexures, schedules, etc. attached hereto, if any) and as sanctioned by the RBI, including any modification(s) and amendments as may be made from time to time in accordance with the terms hereof.

- 5.32 “**SEBI**” means the Securities and Exchange Board of India.
- 5.33 “**SEBI LODR**” means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).
- 5.34 “**Share Exchange Ratio**” has the meaning assigned to it in Clause 11.1.
- 5.35 “**Stock Exchanges**” means BSE and NSE.
- 5.36 “**Tax**” or “**Taxes**” means: (a) all forms of direct tax and indirect tax, surcharge, fee, levy, duty, tariff, charge, cess, impost or other charges of any kind, withholding or other amount whenever or wherever created or imposed by, or payable to any Tax Authority; (b) all charges, interests, penalties and fines incidental or related to any tax falling within (a) above or which arises as the result of the failure to pay any tax on the due date or to comply with any obligation relating to tax; (c) all credits/ refunds/ benefits in relation to direct tax, indirect tax, surcharge, fee, levy, duty, tariff, charge, impost and other credits/ refunds/ benefits of any kind, withholding or other amount whenever or wherever entitled from Tax Authority; and (d) tax collection at source.
- 5.37 “**Tax Authority**” means any judicial, revenue, custom, fiscal, governmental, statutory, state, provincial, local government or municipal authority, body or person responsible for Tax in any jurisdiction.
- 5.38 “**Transferee Company**” has the meaning assigned to it in Clause 2.1(i).
- 5.39 “**Transferee Company ESOP Schemes**” means the following employee stock option plans approved by the Board and shareholders of the Transferee Company: (i) Employee Stock Option Scheme 2015 - Plan A (ESOP 2015 – Plan A), (ii) Employee Stock Option Scheme 2015 - Plan B (ESOP 2015 – Plan B), (iii) Employee Stock Option Scheme 2016 - (ESOP 2016), (iv) Employee Stock Option Scheme 2018 - (ESOP 2018), (v) Employee Stock Option Scheme 2020 - (ESOP 2020) and (vi) Employee Stock Option Scheme 2023 - (ESOP 2023).
- 5.40 “**Transferor Company**” has the meaning assigned to it in Clause 1.1(i).
- 5.41 “**Transferor Company ESOP Scheme**” means the Fincare Small Finance Bank Stock Option Scheme being ESOP-2018-5-FSFB Scheme as approved by the Board and shareholders of the Transferor Company.
- 5.42 “**Transferor Company Records**” has the meaning assigned to it in Clause 5.44(e).
- 5.43 “**Transferor Company Subscription Shares**” means 3,30,12,639 (three crore thirty lakh twelve thousand six hundred and thirty nine) fully-paid equity shares, having face value of INR 10 (Indian Rupees ten) each, of the Transferor Company.
- 5.44 “**Undertaking of the Transferor Company**” shall mean with effect from

the Appointed Date, the Transferor Company and includes all of its businesses, undertakings, assets, properties, investments, and all liabilities of the Transferor Company of whatsoever nature and kind and wherever situated, on a going concern basis, and with continuity of business, which shall mean and include without limitation:

- (a) All the assets and properties (tangible or intangible, movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent) of the Transferor Company, including, without being limited to, stock-in-trade, computers, equipment, offices and other premises, capital work in progress, sundry debtors, furniture, fixtures, interiors, office equipment, accessories, deposits, all stocks, assets, investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash balances or deposits with banks, loans, advances, contingent rights or benefits, book debts, receivables, taxes paid, actionable claims, earnest moneys, advances or deposits paid by the Transferor Company, financial assets, leases (including but not limited to leasehold rights of the Transferor Company), and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, municipal permissions, tenancies or licenses in relation to the offices, fixed and other assets, intangible assets (including but not limited to software), intellectual property rights of any nature whatsoever, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, title, interests, other benefits (including tax benefits), credits (including tax credits), credit arising from advance tax, self-assessment tax, withholding tax credits any tax refunds and credits minimum alternate tax credit entitlement, CENVAT credit, goods and service tax credit, other indirect tax credits, any tax incentives, benefits advantages, privileges, exemptions, credits, book loss and book depreciation, deferred tax assets, tax holidays, remission, reductions and any other claims under any tax laws, subsidies, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company;
- (b) All contracts (including but not limited to the agreements with respect to the immovable properties being used by the Transferor Company by way of lease and/or license and/or business arrangements), rights, agreements, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, letters of intent, understanding, equipment purchase agreement, agreements with customers, purchase and other agreement with the

supplier/manufacturer of goods/service providers, undertakings, deeds, bonds and schemes; entitlements, licenses (including the licenses granted by any Appropriate Authority for the purpose of carrying on the business of the Transferor Company or in connection therewith), permits, permissions, incentives, approvals (including municipal approvals), allocations, registrations, Tax benefits, subsidies, concessions, grants, credits, awards, exemptions, qualifications, bid acceptances, tenders, certificates, rights, statutory rights, claims, leases, licenses, right to use and/ or access, tenancy rights, liberties, special status and other benefits or privileges; quota rights, engagements, arrangements, authorities, allotments and security arrangements (to the extent provided herein); benefits of any guarantees, reversions, powers and all other approvals, sanctions and consents of every kind, nature and description whatsoever relating to the Transferor Company's business activities and operations and that may be required to carry on the operations of the Transferor Company;

- (c) All insurance policies;
- (d) All intellectual property rights, registrations, trademarks, trade names, computer programmes, manuals, data, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights, designs and domain names and all software, and all the website contents (including text, graphics, images, audio, video and data) exclusively used by or held for use by the Transferor Company in the business, activities and operations carried on by the Transferor Company;
- (e) All books, records (including financial records), statutory registers, files, papers, engineering and process information, application software, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, lists of present and former borrowers, lenders and suppliers including service providers, other borrower information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form ("**Transferor Company Records**");
- (f) All amounts claimed by the Transferor Company whether or not so recorded in the books of account of the Transferor Company from any Appropriate Authority, under any law, act or rule in force, as refund of any Tax, duty, cess or of any excess payment;
- (g) All rights to any claim not preferred or made by the Transferor Company in respect of any refund of Tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any law, act or rule or scheme made by the Appropriate Authority, and in respect of set-off, book loss and book depreciation, deferred tax assets, deferred revenue expenditure, deduction, exemption,

rebate, allowance, amortization benefit, incentives, benefits, Tax holidays, credits, etc., under the Income Tax Act, sales Tax, value added Tax, service Tax, custom duties, and goods and service Tax or any other or like benefits under the said acts or under and in accordance with Applicable Law;

- (h) All debts and liabilities, both present and future, whether or not provided in the books of accounts or disclosed in the balance sheet of the Transferor Company, including all secured and unsecured debts (whether denominated in Indian rupees or a foreign currency), liabilities (including deferred Tax liabilities, contingent liabilities) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations along with any charge, assurances, deposits, time and demand liabilities, borrowings, bills payable, interest accrued, Tax liabilities, debentures, bonds, notes, duties, leases of the Transferor Company, guarantees, sundry creditors, and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether or not contingent or disputed or the subject matter of any court, arbitration, tribunal, forum or other Proceedings including before any Appropriate Authority. Provided that, any reference in the security documents or arrangements entered into by the Transferor Company and under which, the assets of the Transferor Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that Undertaking of the Transferor Company only as are vested in the Transferee Company by virtue of the Scheme and the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise;
- (i) All of its staff and employees, who are on its payrolls, including those employed at its offices and branches, including overseas offices, employees/personnel engaged on contract basis and contract labourers and interns/trainees, as are primarily engaged in or in relation to the business, activities and operations carried on by the Transferor Company and other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to its staff and employees, with respect to the payment of gratuity, superannuation, pension benefits, the provident fund or compensation, if any, and any other employee benefit scheme/plan in the event of resignation, death, voluntary retirement or retrenchment and any other obligations under any licenses and/ or permits; and
- (j) All Proceedings whatsoever nature involving the Transferor Company.

6. INTERPRETATION

- 6.1 All terms and words used but not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the BR Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other Applicable Laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- 6.2 References to clauses unless otherwise provided, are to clauses of and to this Scheme.
- 6.3 Words importing the singular include the plural and *vice versa*, pronouns importing a gender include each of the masculine, feminine and neutral genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- 6.4 Clause headings, subheadings and titles, subtitles to clauses, sub-clauses, sections and paragraphs are for information only and shall not form part of the operative provisions of this Scheme and shall be ignored in construing or interpreting the same.
- 6.5 Unless otherwise specified, time periods within or following which any act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the following Business Day if the last day of such period is not a Business Day.
- 6.6 The terms herein, hereof, hereto, hereinafter and words of similar purport refer to this Scheme as a whole.
- 6.7 The words include, including and in particular shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words.
- 6.8 References to statutory provisions shall be construed as meaning and including references to the statutory provision as modified or re-enacted or both from time to time whether before or after the date of the Boards of the Companies approving the Scheme and any subordinate legislation made under the statutory provision whether before or after such date.
- 6.9 Any reference in this Scheme, to this Scheme or any other agreement, contract, document or arrangement, or to any provision thereof, shall be construed, without limitation, as a reference to this Scheme or, as the case may be, such other agreement, contract, document, or arrangement, or to any provision thereof, in each case as the same may have been, or may from time to time be, amended, varied, assigned, novated, acceded to or supplemented.
- 6.10 Unless otherwise indicated, a reference to any time is a reference to that time in India.
- 6.11 Any reference to acting “directly” or “indirectly” includes (without prejudice to the generality of that expression) acting alone or jointly with or by means of or through any other Person, including by the exercise of voting or any other rights in another Person.
- 6.12 If any provision in Clause 5 is a substantive provision conferring rights or imposing obligations on any Person, effect shall be given to it as if it were a substantive

provision in the body of this Scheme.

- 6.13 Reference to days, months and years are to calendar days, calendar months and calendar years, respectively.
- 6.14 Unless otherwise specified, a reference to a Person being liable to another Person, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).
- 6.15 Any reference in this Scheme to any Appropriate Authority shall be deemed to include a reference to any successor thereof.
- 6.16 Any obligation in this Scheme on a Person not to do something includes an obligation not to agree or allow that thing to be done.
- 6.17 Any approval and / or consent to be granted by a Person under this Scheme shall be deemed to mean an approval and / or consent in writing, and unless expressly provided for otherwise, shall be deemed to mean the prior approval or consent of the relevant Person.
- 6.18 Any reference to “writing” includes writing, typing, printing, letter, e-mail or other electronic record reduced to a visual form but shall not include text messages or other short message service.
- 6.19 An obligation to “ensure” or “cause” any act or forbearance, shall be deemed to include an obligation to exercise all rights and powers (including voting rights) available to such Person undertaking such obligation to ensure or cause, as the case may be, such act or forbearance.
- 6.20 Unless otherwise indicated, where the day on which any act, matter or thing is to be done is a day other than a Business Day, that act, matter or thing must be done on or by the next Business Day.
- 6.21 A reference to a Person includes a reference to that Person’s legal personal representatives, heirs, executors, administrators, successors and permitted assigns.

7. DATE OF TAKING EFFECT OF THIS SCHEME

- 7.1 The Scheme shall be effective from the Appointed Date and shall be operative on and from the Effective Date.

8. SHARE CAPITAL OF THE COMPANIES

- 8.1 The share capital structure of the Transferor Company as on the date of approval of the Scheme by its Board, i.e., October 29, 2023, is as under:

Authorized Share Capital	Amount in INR
30,00,00,000 equity shares of INR 10 each	3,00,00,00,000
Total	3,00,00,00,000
Issued, Subscribed & Paid-Up Capital	Amount in INR
22,08,51,840 equity shares of INR 10 each	2,20,85,18,400
Total	2,20,85,18,400

- (a) The Transferor Company has outstanding employee stock options under the Transferor Company ESOP Scheme, the exercise of which may result in further increase in the issued and paid-up capital of the Transferor Company.
- (b) The Board of the Transferor Company shall, without any further act, instrument or deed, issue and allot the Transferor Company Subscription Shares by way of preferential issue to FBSL, in consideration of the FBSL Subscription Amount paid by FBSL to the Transferor Company into the bank account designated by the Transferor Company, on or prior to the Record Date.

The Transferor Company Subscription Shares are proposed to be issued at the per share price of INR 212.04 (Indian Rupees two hundred and twelve point zero four) as mentioned in valuation report prepared by RBSA Valuation Advisors LLP dated October 29, 2023 that has been prepared in accordance with the Act, which has been taken on record and approved by the Board of the Transferor Company.

Upon issuance and allotment of the Transferor Company Subscription Shares, the issued, subscribed and paid-up share capital of the Transferor Company shall be as follows:

Issued, Subscribed & Paid-Up Capital	Amount in INR
25,38,64,479 equity shares of INR 10 each	2,53,86,44,790
Total	2,53,86,44,790

- 8.2 The share capital structure of the Transferee Company as on date of approval of the Scheme by its Board, i.e., October 29, 2023, is as under:

Authorized Share Capital	Amount in INR
1,20,00,00,000 equity shares of INR 10 each	12,00,00,00,000
Total	12,00,00,00,000
Issued, Subscribed & Paid-Up Capital	Amount in INR
66,82,28,624 equity shares of INR 10 each	6,68,22,86,240
Total	6,68,22,86,240

The Transferee Company has outstanding employee stock options under the Transferee Company ESOP Schemes, the exercise of which may result in further increase in the issued and paid-up capital of the Transferee Company.

PART III

AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY

9. TRANSFER AND VESTING OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY

- 9.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, and subject to the provisions of this Scheme, the Transferor Company shall stand amalgamated with the Transferee Company, and the Undertaking of the Transferor Company shall, pursuant to Section 44-A and other applicable provisions, if any, of the BR Act and the RBI Amalgamation Directions, be and stand transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, as a going concern, without any further act,

instrument, deed, matter or thing so as to become, the undertaking of the Transferee Company by virtue of, and in the manner provided in this Scheme.

- 9.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon the coming into effect of this Scheme, and with effect from the Appointed Date and subject to the provisions of this Scheme, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking of the Transferor Company, of whatsoever nature and wherever situated, whether or not included in the books of the Transferor Company, shall, subject to this Clause 9 in relation to the mode of vesting, and without any further, act, deed, matter or thing, be and stand transferred to and vested in or shall be deemed to have been transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estates, assets, properties, rights, claims, title, interest and authorities of the Transferee Company, subject to the provisions of this Scheme.
- 9.3 In respect to such of the assets of the Transferor Company that are movable in nature, including without limitation, investments, cash balances or cash in hand, or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery or by vesting and recordal of whatsoever nature, the same shall be so transferred by the Transferor Company, and shall become the property of the Transferee Company with effect from the Appointed Date, by operation of law without any further act or deed or execution of an instrument with the intent of vesting such assets with the Transferee Company as on the Appointed Date. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly. On the Effective Date, the Transferor Company shall hand over all the Transferor Company Records to the Transferee Company.
- 9.4 In respect of such of the assets belonging to the Transferor Company, other than those mentioned in Clause 9.3 above, the same shall, as more particularly provided in Clause 9.2 above, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Transferee Company upon the coming into effect of the Scheme and with effect from the Appointed Date.
- 9.5 Upon the effectiveness of this Scheme, and with effect from the Appointed Date, all assets of the Transferor Company that are owned / leased / licensed immovable properties, if any, including any right or interest in the buildings and structures standing thereon and all lease/ license or rent agreements, together with security deposits and advance / prepaid lease/ license fee, rights and easements in relation to such properties shall stand transferred to and be vested in, or be deemed to have been transferred to and vested in the Transferee Company, without any further act or deed, pursuant to the provisions of this Scheme. Further, the relevant landlords, owners and lessors shall continue to comply with the terms, conditions and covenants under all relevant lease/ license or rent agreements and shall, in accordance with the terms of such agreements, refund the security deposits and advance / prepaid lease / license fee to the Transferee Company. The Transferee Company shall be entitled to exercise all rights and privileges attached to the aforesaid immoveable properties, if any, and shall be liable, as may be required, to pay the ground rent and Taxes and fulfil all obligations in relation to or applicable

to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective and with effect from the Appointed Date, be made and duly recorded in the name of the Transferee Company by the Appropriate Authorities pursuant to the sanction of this Scheme by the RBI and upon the coming into effect of this Scheme in accordance with the terms hereof.

- 9.6 All estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances of the Undertaking of the Transferor Company, accrued to, or acquired by, the Transferor Company, after the Appointed Date but prior to the Effective Date shall have been deemed to have been accrued and / or acquired for and on behalf of the Transferee Company, and shall, without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon coming into effect of this Scheme.
- 9.7 With effect from the Appointed Date, all trademarks, trade names, service marks, copyrights, logos, corporate names, brand names, domain names and all registrations, applications and renewals in connection therewith, and software and all website content (including text, graphics, images, audio, video and data), trade secrets, confidential business information and other proprietary information of the Transferor Company shall stand transferred to and vested in the Transferee Company.

10. TRANSFER AND VESTING OF THE LIABILITIES OF THE TRANSFEROR COMPANY WITH THE TRANSFEE COMPANY

- 10.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, all the liabilities, debts, loans raised and used, duties, losses and obligations of the Transferor Company, whether or not recorded in their respective books of accounts, shall, pursuant to the provisions of Section 44-A and other applicable provisions of the BR Act, without any further act, instrument, deed, matter or thing, stand transferred to and vested in the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities, debts, loans, duties, losses and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- 10.2 Subject to Applicable Law, all Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company, shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Provided that if any of the assets of Transferor Company, which are being transferred to the Transferee Company pursuant to this Scheme have not been Encumbered as aforesaid, such assets shall remain unencumbered and the existing Encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment or approval which may be required by a lender or trustee or third party shall not affect the operation of the above.

- 10.3 Without prejudice to the foregoing provisions of Clause 10.1 above, upon this Scheme becoming effective, all non-convertible debentures (“**NCDs**”) issued by the Transferor Company (to the extent these are outstanding on the Effective Date) shall, without any further act, instrument or deed, become NCDs issued by the Transferee Company on the same terms and conditions and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in and shall be exercised by or against the Transferee Company as if it were the issuer of such NCDs, so transferred and vested. The NCDs which stand transferred to the Transferee Company pursuant to this Scheme, shall be listed and/or admitted to trading on the BSE, where, the NCDs are currently listed. Upon this Scheme becoming effective, the transfer of NCDs to the Transferee Company shall be binding on the holders of NCDs, BSE, bankers, debenture trustees, depository, custodians and registrar and transfer agents. The Transferee Company may execute such further documents and take such further actions as may be deemed necessary or appropriate to give effect to the provisions of this Scheme.
- 10.4 Without prejudice to the provisions of the foregoing Clauses and upon the effectiveness of this Scheme and with effect from the Appointed Date, the Transferee Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars to give formal effect to the above provisions. At all times following the Effective Date, the Transferee Company shall be authorised or be deemed to be authorised to execute any such writings in the name of the Transferor Company and to implement, carry out or perform all such formalities or compliances to be implemented, carried out or performed on part of the Transferor Company.
- 10.5 It is expressly provided that, save as mentioned in this Clause, no other term or condition of the liabilities, loans, duties and obligations transferred to the Transferee Company as part of the Scheme shall be modified by virtue of this Scheme.
- 10.6 Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause 10 shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.

11. CONSIDERATION

- 11.1 Upon this Scheme becoming fully effective, in consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company, the Transferee Company shall, without any further application or deed, allot to the Record Date Shareholders 579 (five hundred and seventy nine) New Transferee Company Shares in respect of every 2,000 (two thousand) equity shares of INR 10 (Indian Rupees ten) each, fully paid up, and held by them in the Transferor Company. The above ratio in which the New Transferee Company Shares will be issued to the Record Date Shareholders is hereinafter referred to as the “**Share Exchange Ratio**”. The requisite action and formalities for crediting of dematerialized New Transferee Company Shares pursuant to the issuance and allotment as per this Clause 11, shall be completed within 7 (seven) Business Days of the Effective Date.

- 11.2 For the purposes of allotment of the New Transferee Company Shares, pursuant to this Scheme, in case any Record Date Shareholder becomes entitled to any fractional shares, entitlements or credit on the issue and allotment of the New Transferee Company Shares by the Transferee Company in accordance with Clause 11.1 above, the Transferee Company shall not issue fractional shares to such shareholder and shall consolidate all such fractional entitlements and round up the aggregate of such fractions to the next whole number and shall, without any further application, act, instrument or deed, issue and allot such consolidated equity shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Transferee Company ("**Trustee**"), who shall hold such New Transferee Company Shares with all additions or accretions thereto in trust for the benefit of the respective Record Date Shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at the prevailing market price or prices at any time within a period of 90 (ninety) days from the Effective Date, and on such sale, distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective Record Date Shareholders in the same proportion of their fractional entitlements. Any fractional entitlements from such net proceeds may be rounded off to the next INR. It is clarified that any such distribution shall take place only on the sale of all the fractional shares of the Transferee Company by the Trustee pertaining to the fractional entitlements.
- 11.3 Unless otherwise notified in writing on or before such date as may be determined by the Board of the Transferee Company or a committee thereof, the New Transferee Company Shares issued to the Record Date Shareholders by the Transferee Company shall be issued in dematerialized form by the Transferee Company, provided that the details of the depository accounts of the members of the Transferor Company are made available to the Transferee Company by the Transferor Company at least 7 (seven) Business Days prior to the Effective Date. In case of any Record Date Shareholders for whom such details are not available with the Transferee Company and in case of any Record Date Shareholders who hold equity shares in physical form, the Transferee Company shall deal with the issuance of the relevant New Transferee Company Shares in such manner as may be permissible under the Applicable Law, including by way of issuing the said New Transferee Company Shares in dematerialised form to a demat account held by a trustee nominated by the Board of the Transferee Company or into an escrow account opened by the Transferee Company or an escrow agent nominated by it, with a depository, as determined by the Board of the Transferee Company, where such New Transferee Company Shares of the Transferee Company shall be held on for the benefit of such shareholders (and their respective heirs, executors, administrators or other legal representatives or other successors in title). The New Transferee Company Shares so held in such trustee's account or escrow account, as the case may be, shall be transferred to the respective Record Date Shareholders once such shareholder provides details of his/ her/ its demat account to the Transferee Company, along with such other documents as may be reasonably required by the Transferee Company. The respective Record Date Shareholders shall have all the rights of the shareholders of the Transferee Company, including the right to receive dividend, voting rights and other corporate benefits, pending such transfer of the said New Transferee Company Shares from the said trustee's account or the escrow account, as the case may be. All costs and expenses incurred in this respect shall be borne by Transferee Company.
- 11.4 The New Transferee Company Shares issued to the Record Date Shareholders by the Transferee Company shall be issued in dematerialized form by the Transferee

Company.

- 11.5 Joint shareholders of the Transferor Company shall not be treated as separate shareholders but shall be jointly eligible to receive the New Transferee Company Shares.
- 11.6 The relevant Record Date Shareholder shall, if and to the extent required, apply for and obtain any approvals from Appropriate Authorities and undertake necessary compliance for the issue of the New Transferee Company Shares to the Record Date Shareholders pursuant to this Scheme. Provided however that, if any approval is required under the Press Note No. 3 (2020 Series), dated 17 April 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and Rule 6(a) of the NDI Rules ("**Restriction**"), for issuance of the New Transferee Company Shares to any Record Date Shareholder, as determined by the Transferor Company (in consultation with the Transferee Company) the issuance and allotment of such New Transferee Company Shares shall be held in abeyance by the Transferee Company and shall be undertaken only once such Record Date Shareholder is eligible to acquire the New Transferee Company Shares and is not subject to the Restriction. In this regard, till such time the aforesaid Restriction is applicable, the Transferee Company shall be entitled to deal with such New Transferee Company Shares in an equitable manner as may be permissible under Applicable Laws and deemed fit and fair by the Board of the Transferee Company, including by way of issuing the said New Transferee Company Shares in dematerialized form to a demat account held by a trustee nominated by the Board of the Transferee Company or into an escrow account opened by the Transferee Company or an escrow agent nominated by it, with a depository, as determined by the Board of the Transferee Company, where such New Transferee Company Shares of the Transferee Company shall be held for the benefit of such Record Date Shareholders. The New Transferee Company Shares so held in such trustee's account or escrow account, as the case may be, shall be transferred to the relevant Record Date Shareholders once such shareholder provides details of his/ her/ its demat account to the Transferee Company, along with such other documents as may be required by the Transferee Company to its satisfaction to confirm non-applicability of the Restriction.
- 11.7 The New Transferee Company Shares to be issued by the Transferee Company pursuant to Clause 11.1 above in respect of such equity shares of the Transferor Company, the allotment or transfer of which is held in abeyance under the Applicable Law shall, pending allotment or settlement of dispute by order of the appropriate court or otherwise, also be kept in abeyance in like manner by the Transferee Company.
- 11.8 In the event of there being any pending share transfers, whether lodged or outstanding, of any Record Date Shareholder, the Board of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, as the case may be, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, and to issue and allot the New Transferee Company Shares to the transferee as if the transferee was the Record Date Shareholder, in order to remove any difficulties arising in relation to the transfer of the shares in the Transferor Company and in relation to the shares issued by the Transferee Company, after the effectiveness of the Scheme.
- 11.9 Where the New Transferee Company Shares are to be allotted to heirs, executors,

administrators, or successors of deceased equity shareholders or legal representatives of the Record Date Shareholders, the concerned heirs, executors, administrators, successors or legal representatives shall be obliged to produce evidence of title satisfactory to the Board of the Transferee Company.

- 11.10 The above New Transferee Company Shares allotted and issued in terms of Clause 11.1 above, shall be listed and/or admitted to trading on the BSE and the NSE. These shares of the Transferee Company shall, however, be listed subject to the Transferee Company obtaining the requisite approvals pertaining to the listing of these shares of the Transferee Company. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with Applicable Laws for complying with the formalities of the BSE and the NSE.
- 11.11 Upon the Scheme becoming effective and upon the New Transferee Company Shares of the Transferee Company being allotted and issued by it to the Record Date Shareholders, the equity shares of the Transferor Company, both in electronic form and in the physical form, shall be deemed to have been automatically cancelled and be of no effect on and from the Record Date.
- 11.12 Upon the Scheme becoming effective and upon the New Transferee Company Shares of the Transferee Company being allotted and issued by it to the Record Date Shareholders, all the Record Date Shareholders including FBSL shall be treated as public shareholders of the Transferee Company for the purposes of all relevant securities laws including SEBI LODR, without any further act, deed, matter, or thing.
- 11.13 The equity shares of the Transferee Company to be allotted and issued to the Record Date Shareholders as provided in Clause 11.1 above, shall be subject to the provisions of the memorandum and articles of association of the Transferee Company and shall rank *pari-passu* in all respects with the then existing equity shares of the Transferee Company on the Effective Date including in respect of dividend, if any, that may be declared by the Transferee Company on or after the Effective Date.
- 11.14 It is clarified that the issue and allotment of equity shares by the Transferee Company pursuant to Clause 11.1 to the Record Date Shareholders as provided in the Scheme, is an integral part of this Scheme and shall be deemed to have been carried out without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under applicable provisions of the Act or rules thereof, as may be applicable, and such other statutes, regulations and rules as may be applicable were deemed to have been duly complied with.
- 11.15 The New Transferee Company Shares allotted pursuant to this Scheme shall remain frozen in the depositories system until listing/trading permission is given by the BSE and the NSE, as the case may be.
- 11.16 In the event, the Transferor Company or Transferee Company restructures their equity share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the Share Exchange Ratio, as per Clause 11.1 above shall be subject to equitable adjustments mutually determined by the Boards of the Transferor Company and the Transferee Company.

12. CONTRACTS AND PERMITS

- 12.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, and subject to the provisions of the Scheme, all contracts (including but not limited to customer contracts, service contracts and supplier contracts), deeds, bonds, indemnities, agreements, schemes, licenses, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of intent, arrangements and other instruments of whatsoever nature, to which the Transferor Company, is a party or to the benefit of which the Transferor Company, may be eligible or for the obligations of which the Transferor Company, may be liable, and which are subsisting or having effect immediately before the Effective Date, shall continue in full force and effect against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been an original party or beneficiary or obligee or obligor thereto.
- 12.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Undertaking of the Transferor Company occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, execute deeds (including deeds of adherence), confirmations or other writings or tripartite agreements with any party to any contract or arrangement to which the Transferor Company, is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. After effectiveness of the Scheme, the Transferee Company shall, under the provisions of Part III of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 12.3 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, and subject to the Applicable Law, all approvals, including municipal approvals, allocations, allotments, consents, authorities (including for the operation of bank accounts), concessions, clearances, credits, awards, sanctions, exemptions, subsidies, registrations, no-objection certificates, permits, quotas, rights, entitlements, authorization, statutory rights, pre-qualifications, bid acceptances, tenders, licenses (including the licenses granted by any governmental, statutory or regulatory bodies for the purpose of carrying on their respective business or in connection therewith), permissions and certificates of every kind and description whatsoever in relation to the Transferor Company including powers of attorney given by the Transferor Company, or to the benefit of which the Transferor Company may be eligible/entitled, and which are subsisting or having effect immediately before the Effective Date, shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to the sanction of this Scheme by RBI, and upon this Scheme becoming effective and with effect from the Appointed Date, in accordance with the terms hereof. Upon the effectiveness of the Scheme, the

Transferee Company shall be entitled to make applications to any Appropriate Authority as may be necessary in this behalf.

- 12.4 Upon effectiveness of the Scheme and with effect from the Appointed Date, all bank accounts operated or entitled to be operated by the Transferor Company shall be deemed to have transferred to and shall stand transferred to the Transferee Company and the name of the Transferor Company shall be substituted by the name of the Transferee Company in the bank's records. Upon the effectiveness of the Scheme and with effect from the Appointed Date, the Transferee Company shall be entitled to operate all bank accounts, realise all monies and complete and enforce all pending contracts and transactions in the name of the Transferor Company to the extent necessary until the transfer of the rights and obligations of the Transferor Company to the Transferee Company under the Scheme is formally accepted and completed by the parties concerned. For avoidance of doubt, it is hereby clarified that all cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Transferor Company after the Effective Date, shall be accepted by the bankers of the Transferee Company and credited to the accounts of the Transferee Company, if presented by the Transferee Company. Similarly, the bankers of the Transferee Company shall honour all cheques issued by the Transferor Company, as if such cheques were issued by the Transferee Company, for payment after the Effective Date.
- 12.5 Upon the effectiveness of this Scheme and with effect from the Appointed Date, all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, and other instruments of whatsoever nature to which the Transferor Company is a party to or to the benefit of which the Transferor Company may be eligible, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been the original party or beneficiary or obligee thereto. Upon coming into effect of this Scheme and with effect from the Appointed Date, the past track record of the Transferor Company shall be deemed to be the track record of the Transferee Company for all purposes, including commercial and regulatory purposes.
- 12.6 Upon effectiveness of the Scheme and with effect from the Appointed Date, all bank accounts operated or entitled to be operated by the Transferor Company shall be deemed to have transferred and shall stand transferred to the Transferee Company and name of the Transferor Company shall be substituted by the name of the Transferee Company in the bank's records.
- 12.7 Without prejudice to the other provisions of this Scheme, upon effectiveness of this Scheme and with effect from the Appointed Date, all transactions between the Transferor Company and the Transferee Company, that have not been completed, shall stand cancelled.

13. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

- 13.1 From the Appointed Date until the Effective Date, the Transferor Company shall be deemed to have been carrying on and shall carry on its businesses and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all of the assets of the Transferor Company for and on account of, and in trust for, the Transferee Company; and

- 13.2 From the date on which the Boards of the Companies approve the Scheme until the Effective Date, the Transferor Company and Transferee Company shall carry on its business with reasonable diligence and business prudence in the ordinary course consistent with past practice, in accordance with Applicable Law and subject to such restrictions as mutually agreed between the Companies.

14. LEGAL PROCEEDINGS

- 14.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, all the Proceedings, if any, by or against the Transferor Company pending and or arising prior to the Effective Date shall not abate or be discontinued or be in any way prejudicially affected in any way by reason of the Scheme or by anything contained in the Scheme, but the Proceedings shall be continued, prosecuted, as the case may be and be enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if the same had been pending and/or arising by or against the Transferee Company. On and from the Effective Date, the Transferee Company may (i) initiate, defend, compromise or otherwise deal with any Proceeding for and on behalf of the Transferor Company, and (ii) transfer to its name and to have such Proceedings continued, prosecuted and enforced, as the case may be, by or against the Transferee Company, subject to Applicable Law.

15. STAFF AND EMPLOYEES

- 15.1 With effect from the Effective Date, all the staff and employees of the Transferor Company who are in such employment as on the Effective Date, shall become and be deemed to have become, the staff and employees of the Transferee Company, without any break or interruption in their service and on the terms and conditions not less favourable than those on which they were engaged by the Transferor Company.
- 15.2 Subject to Clause 15.1, the Board of the Transferee Company, through any committee or authorised person shall be entitled to adopt such course of action with regard to the staff and employees as they may deem advisable. Services of such staff and employees shall be considered from the date of their respective appointment with the Transferor Company for the purpose of all retirement benefits and all other entitlements for which they may be eligible.
- 15.3 On and from the Effective Date, the services of the employees will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of provident fund or gratuity fund or pension fund or superannuation fund or other statutory purposes as the case may be.
- 15.4 With regard to provident fund, gratuity, superannuation and any other similar scheme for employees by the Transferor Company, which exist immediately prior to the Effective Date, the Transferor Company shall stand substituted by the Transferee Company for all purposes whatsoever, including, without limitation, with regard to the obligation to make payments and contributions to all relevant authorities whatsoever such as the Regional Provident Fund Commissioner and towards the administration or operation of such funds or trusts in accordance with the provisions of such funds or trusts as provided in the respective trust deeds or other documents. It is the aim and intent of this Scheme that all the rights, duties,

powers and obligations of the Transferor Company shall become those of the Transferee Company. Any existing provident fund, gratuity fund and superannuation fund trusts created by Transferor Company for its employees shall be continued for the benefit of such employees on the same terms and conditions until such time that they are transferred to the relevant funds of the Transferee Company. It is clarified that the services of all employees will be treated as having been continuous and uninterrupted for the purposes of the aforesaid schemes or funds. The trustees and the Boards of the Transferor Company and the Transferee Company, or acting through any committee/person duly authorized by the Boards in this regard shall be entitled to adopt such course of action in this regard as may be advised provided however that there shall be no discontinuation or breakage in the services of the employees. Without prejudice to the aforesaid, the Board of the Transferee Company if it deems fit and subject to Applicable Law, shall be entitled to: (i) retain separate trusts or funds within the Transferee Company for the erstwhile fund(s) of the Transferor Company; or (ii) merge the pre-existing fund of the Transferor Company with other similar funds of the Transferee Company.

16. EMPLOYEE STOCK OPTIONS

16.1 In respect of stock options granted by the Transferor Company under the Transferor Company ESOP Scheme, upon the effectiveness of the Scheme, the Transferee Company shall issue stock options to the Eligible Employees on the terms and conditions as are existing and are in force under the Transferor Company ESOP Scheme, and which are no less favourable than those provided under the Transferor Company ESOP Scheme. Such stock options may be issued by the Transferee Company either under any of the Transferee Company ESOP Schemes or a separate employee stock option plan created by the Transferee Company *inter alia* for the purpose of granting stock options to the Eligible Employees pursuant to this Scheme ("**Transferee Stock Option Scheme**").

16.2 It is hereby clarified that upon this Scheme becoming effective, (a) options granted by the Transferor Company to the Eligible Employees under the Transferor Company ESOP Scheme shall automatically stand cancelled, and (b) equivalent number of fresh options under the Transferee Stock Option Scheme shall be granted by the Transferee Company to the Eligible Employees such that:

(a) For every 2,000 (two thousand) equity shares of the Transferor Company that each Eligible Employee is entitled to (or will become entitled to upon vesting) upon exercise of an option under the Transferor Company ESOP Scheme ("**Original Number**"), such Eligible Employee shall be entitled to (or will become entitled to upon vesting) receive 579 (five hundred and seventy nine) equity shares of the Transferee Company ("**Revised Number**") upon exercise;

(b) The exercise price per resulting equity share of the Transferee Company ("**Revised Exercise Price**") to be issued upon exercise of an option shall be as follows:

$(\text{Original Number} * \text{Original Exercise Price}) / \text{Revised Number}$;

Where the "**Original Exercise Price**" shall mean the exercise price per option/ equity share under the Transferor Company ESOP Scheme.

(c) Fractional entitlements to equity shares of the Transferee Company, if any,

arising pursuant to this Clause, shall be rounded off to the nearest higher integer; and

- (d) Fractional Revised Exercise Prices determined in accordance with the above shall be rounded off to the nearest lower integer.

16.3 The grant of options to the Eligible Employees pursuant to Clause 16 of this Scheme shall be effected as an integral part of the Scheme and the approval of RBI and the shareholders of the Transferee Company to this Scheme shall be deemed to be their consent in relation to all matters pertaining to the Transferee Stock Option Scheme, including without limitation, for the purposes of creating the Transferee Stock Option Scheme and/ or modifying the Transferee Stock Option Scheme (including increasing the maximum number of equity shares that can be issued consequent to the exercise of the stock options granted under the Transferor Company ESOP Scheme, and/ or modifying the exercise price of the stock options under the Transferee Stock Option Scheme), and all related matters. No further approval of the shareholders of the Transferee Company would be required in this connection under Applicable Law.

16.4 It is hereby clarified that in relation to the options granted by the Transferee Company to the Eligible Employees under the Transferee Stock Option Scheme, the period during which the options granted by the Transferor Company were held by or deemed to have been held by the Eligible Employees shall be taken into account for determining the minimum vesting period required under Applicable Law or agreement or deed for stock options granted under the Transferee Stock Option Scheme, as the case may be.

16.5 The Boards of the Transferor Company and the Transferee Company or any of the committee(s) thereof, including the compensation committee, if any, shall take such actions and execute such further documents as may be necessary or desirable for the purpose of giving effect to the provisions of this Clause of the Scheme.

17. CANCELLATION OF THE EQUITY SHARES

17.1. Any member of the Transferor Company or member of the Transferee Company, as the case may be, who has voted against the Scheme at the meeting of the Transferor Company or the Transferee Company, as the case may be, or has given notice in writing at or prior to the meeting of the Transferor Company or the Transferee Company, as the case may be, or to the presiding officer of the meeting of either the Transferor Company or the Transferee Company, as the case may be, that he/she dissents from the Scheme, shall be entitled to claim within 3 (three) months of the Scheme being sanctioned by the RBI under Section 44-A of the BR Act, from the Transferor Company or the Transferee Company, as the case may be, in respect of equity shares held by him / her in the Transferor Company or the Transferee Company, as the case may be, their value as determined by the RBI when sanctioning the Scheme, and such member of the Transferor Company or member of the Transferee Company shall, in consideration thereof, compulsorily tender the said shares held by him / her in the Transferor Company or the Transferee Company, as the case may be, to the Transferor Company or the Transferee Company, respectively, for cancellation thereof and to that extent, without any further act, instrument or deed, the equity share capital of the Transferor Company or the Transferee Company, as the case may be, shall stand reduced or be deemed to have been reduced under the applicable provisions of

the Act, by such number of the said shares as held and tendered by such member of the Transferor Company or member of the Transferee Company. The determination by the RBI as to the value of the equity shares to be paid to the dissenting member of the Transferor Company or member of the Transferee Company shall be final for all purposes.

- 17.2. The payment by the Transferee Company or the Transferor Company, as the case may be, to such shareholder referred in Clause 17.1, shall be deemed to be reduction of share capital of such entity under applicable provisions of the Act and shall be effected as a part of this Scheme itself and no separate procedure, in terms of the applicable provisions of the Act shall be required to be complied with. The consent of the shareholders of the Transferee Company to this Scheme shall be deemed to be the consent of its shareholders for the purpose of effecting the reduction under the applicable provisions of the Act as well and no further compliances would be separately required. In the event any shareholder of the Transferor Company who has received New Transferee Company Shares makes a claim for the value of such shares after the Effective Date but within the period of 3 (three) months of the Scheme being sanctioned by the RBI under Section 44-A of the BR Act, the Transferee Company shall make payment of such value as determined by the RBI upon surrender of such shares by such shareholder, and this shall be deemed to be a reduction of the share capital of the Transferee Company as mentioned above. The Registrar of Companies shall accordingly take note of the revised issued and paid-up share capital of the Transferor Company and the Transferee Company on record.

18. TAXATION MATTERS

- 18.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, all Taxes paid, payable, received or receivable by or on behalf of the Transferor Company, including but not limited to all or any refunds, claims or entitlements or credits (including credits for tax collected at source, income tax, withholding tax, advance tax, self-assessment tax, minimum alternate tax, foreign tax credits, CENVAT credit, goods and services tax credits, other indirect tax credits and other tax receivables) shall, for all purposes, be treated as the Tax liability, refund, claims, including but not limited to claims under the Income Tax Act, or credit, as the case may be, of the Transferee Company, and any Tax incentives, benefits, advantages, privileges, elections, exemptions, credits, Tax holidays, benefits of exercise of any option, remissions or reduction which would have been available to the Transferor Company, shall be available to the Transferee Company, and following the Effective Date, the Transferee Company shall be entitled to initiate, raise, add or modify any claims in relation to such Taxes on behalf of the Transferor Company.
- 18.2. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act, central sales tax law, applicable state value added tax law, service tax laws, excise duty laws, goods and services tax laws and other Tax laws, and to claim refunds, revision of TDS quarterly statements and/or credit for Taxes paid (including, tax deducted at source, wealth tax, etc.) and for matters incidental thereto, if required, to give effect to the provisions of this Scheme.
- 18.3. All compliances with respect to Taxes (including Tax payments) or any other Applicable Law between the Appointed Date and the Effective Date, undertaken

by the Transferor Company, shall, upon the effectiveness of this Scheme and with effect from the Appointed Date, be deemed to have been complied with, by the Transferee Company. Any Taxes collected or deducted by the Transferee Company from payments made to the Transferor Company, shall be deemed to be advance tax paid by the Transferee Company.

19. DIRECTOR APPOINTMENT

- 19.1. Upon effectiveness of the Scheme, subject to Applicable Law, the Transferee Company shall appoint Mr. Divya Sehgal, an existing director of the Transferor Company, as a non-executive, non-independent, non-retiring director to the Board of the Transferee Company for a period of 3 (three) years commencing from the Effective Date.

20. ACCOUNTING TREATMENT

Pursuant to this Scheme coming into effect, the Transferee Company shall account for the Scheme in the books of accounts in accordance with the applicable Accounting Standards in the following manner:

- (a) The books of the Transferor Company shall be closed and balanced and its balance sheet prepared as at the close of business on the date immediately preceding the Appointed Date taking into account all incomes, expenses, assets and liabilities received, paid, accrued, incurred, acquired or sold till such date, including expenses with respect to the amalgamation to be borne by the Transferor Company, and the balance sheet shall be audited and certified by a chartered accountant or a firm of chartered accountants.
- (b) The Transferee Company shall account for the amalgamation of the Transferor Company in its books of account with effect from the Appointed Date.
- (c) The accounting treatment in respect of assets, liabilities and reserves and surplus of the Transferor Company in the books of the Transferee Company shall be in accordance with "Pooling of Interest Method" of accounting as per accounting standards as notified under the Applicable Law.
- (d) In case of any differences in accounting policy between the Transferee Company and the Transferor Company, the impact of the same till the Appointed Date will be treated in accordance with the applicable accounting standards notified under Applicable Law.
- (e) All assets, liabilities and reserves and surplus, of the Transferor Company shall be recorded in the books of account of the Transferee Company as at the Appointed Date at their existing carrying amounts and in the same form as appearing in the books of Transferor Company.
- (f) The difference between the amount recorded as paid-up share capital issued by the Transferee Company and the amount of paid-up share capital of the Transferor Company will be adjusted in reserves in the financial statements of the Transferee Company.
- (g) All inter-corporate deposits, loans and advances, outstanding balances or

other obligations between the Transferor Company and the Transferee Company as at the Appointed Date, shall be cancelled and there shall be no obligation/outstanding in that behalf.

21. DISSOLUTION OF THE TRANSFEROR COMPANY

- 21.1. Pursuant to receipt of an order under sub-section 4 of Section 44-A of BR Act, the RBI may, by a further order in writing under sub-section 6A of Section 44A of the BR Act, direct that on such date as may be specified therein, the Transferor Company shall cease to function and shall stand dissolved on such date notwithstanding anything to the contrary contained in any other law. The Registrar of Companies shall strike off the name of the Transferor Company upon receipt of such order of the RBI directing such Registrar of Companies.

PART IV

GENERAL TERMS AND CONDITIONS

22. APPLICATIONS AND THE ORDER OF THE RBI

- 22.1. Each of the Companies shall, with reasonable dispatch, make and file a joint application under 44-A(4) of the BR Act with the RBI after receipt of approval of the shareholders of each of the Transferor Company and the Transferee Company, for sanctioning this Scheme and for carrying this Scheme into effect and for dissolution of the Transferor Company.
- 22.2. An order in terms of Clause 24.2 below and sub-section 6C of Section 44-A of the BR Act shall be conclusive evidence that all requirements of Section 44-A of the BR Act, RBI Amalgamation Directions, and any applicable provisions of any other law relating to amalgamation, provisions set forth in the Scheme and matters incidental or ancillary thereto have been complied with, and a copy of the said order certified in writing by an officer of the RBI to be a true copy thereof, shall in all Proceedings (whether in appeal or otherwise, and whether instituted before or after the commencement of Section 19 of the Banking Laws (Miscellaneous Provisions) Act, 1963)), be admitted as evidence to the same extent as the original order and the original scheme.
- 22.3. The order of the RBI in terms of Section 44-A of the BR Act, shall be deemed to have been an approval of the RBI authorising FBSL to acquire more than 5% (five percent) of the paid-up share capital in the Transferee Company pursuant to the Scheme, in accordance with Section 12B of the BR Act, as an integral part of the Scheme, without any further act, deed, matter, or thing on part of the Transferee Company, Transferor Company, and / or the RBI, and the procedure laid down under Section 12B of the BR Act, Acquisition and Holding of Shares or Voting Rights in Banking Companies, Directions 2023 issued by the RBI and Applicable Law shall be deemed to have been duly complied with.

23. MODIFICATIONS / AMENDMENTS TO THIS SCHEME

- 23.1. The respective Boards of the Companies, upon mutual agreement, at any time, may make and/ or assent to, any alteration or modification to this Scheme or to any conditions or limitations, including any alteration or modification that RBI may deem fit to direct, approve or impose, without having to obtain any further approvals from their respective shareholders.
- 23.2. The respective Boards of the Companies, be and are hereby authorized to take all such steps as may be necessary, desirable or proper for the purposes of implementing this Scheme and to resolve any doubts, difficulties or questions regarding the implementation of this Scheme or otherwise arising under this Scheme, whether by reason of any directive or orders of RBI, CCI or otherwise, howsoever arising out of or under or by virtue of this Scheme and/or any matter concerned or connected therewith, as may be mutually agreed between the Boards of the Companies.
- 23.3. If any part or provision of this Scheme is invalid, illegal or unenforceable, including as a result of any ruling of any Appropriate Authority, under present or future laws, then it is the intention that such part or provision, as the case may be, shall be severable from the remainder of this Scheme, and this Scheme shall not be affected thereby, unless the deletion of such part or provision, as the case may be, shall cause this Scheme to become materially adverse to any person, in which case the Companies shall attempt to bring about a modification in this Scheme, as will best preserve for all stakeholders the benefits and obligations of this Scheme, including but not limited to such part or provision.
- 23.4. The Companies acting jointly and not individually (except as otherwise agreed by the Companies, in which case either of the Companies, acting individually), shall be at liberty to withdraw the Scheme from the RBI, any time before the RBI having granted its approval to the Scheme under Section 44-A of BR Act.

24. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

Unless otherwise decided (or waived) by the Companies, the effectiveness of this Scheme is and shall be conditional upon and subject to the fulfilment and waiver (to the extent permitted under Applicable Law) of the following conditions precedent:

- 24.1. Consent to this Scheme by a majority in number representing two-thirds in value of, the members of the Transferor Company and members of the Transferee Company, in their respective meetings, present in person or by proxy, at a meeting called for the purpose.
- 24.2. Sanction of the RBI to this Scheme by an order in writing passed in this behalf pursuant to Section 44-A of the BR Act and RBI Amalgamation Directions.
- 24.3. Companies having received the CCI Approval.
- 24.4. The Transferor Company having received the FBSL Subscription Amount from FBSL and having issued and allotted the Transferor Company Subscription Shares to FBSL in accordance with Clause 8.1 of the Scheme.
- 24.5. Such other conditions as mutually agreed between the Transferor Company and

the Transferee Company.

25. EFFECT OF NON-RECEIPT OF CONFIRMATION / SANCTIONS

- 25.1. In the event of this Scheme not being sanctioned by the RBI or by the shareholders of the Companies, this Scheme shall become fully null and void and in that event no rights and liabilities shall accrue to or be inter-se between the Transferor Company, the Transferee Company and its shareholders in terms of this Scheme.

26. BINDING EFFECT

- 26.1. Upon this Scheme becoming effective, the same shall be binding on the Transferor Company and Transferee Company and all concerned parties without any further act, deed, matter, or thing.

27. EXPENSES CONNECTED WITH THIS SCHEME

- 27.1. All Taxes, costs, charges, levies, fees, duties and expenses, if any (save as expressly otherwise agreed), incurred by any of the Companies in carrying out and implementing this Scheme and matters incidental thereto shall be respectively borne and paid by such Companies, till the Effective Date. All Taxes, costs, charges, levies, fees, duties and expenses, if any (save as expressly otherwise agreed), in carrying out and implementing this Scheme and matters incidental thereto, after the Effective Date, shall be borne and paid by the Transferee Company.

ANNEXURE-II

The Pre issue and Post issue shareholding pattern of Fincare Small Finance Bank Limited					
Sr No	Category	Pre-issue		Post-issue	
A	Promoters' holding	No of shares held	% of share holding	No of shares held	% of share holding
1	Indian				
	Individual	0	0	0	0
	Bodies corporate	173,489,568	78.55	206,502,207	81.34
	Sub-total	173,489,568	78.55	206,502,207	81.34
2	Foreign promoters				
	sub-total (A)	173,489,568	78.55	206,502,207	81.34
B	Non-promoters' holding				
1	Institutional investors	23,663,949	10.71	23,663,949	9.32
2	Non-institution				
	Private corporate bodies	2,005,352	0.91	2,005,352	0.79
	Directors and relatives	162,549	0.07	162,549	0.06
	Indian public	5,041,383	2.28	5,041,383	1.99
	others (including NRIs)	16,489,039	7.47	16,489,039	6.50
	Sub-total (B)	47,362,272	21.45	47,362,272	18.66
	Grand Total	220,851,840	100	253,864,479	100